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City of Dover

New Hampshire

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

CITY OF DOVER, NEW HAMPSHIRE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

Prepared by:
The Finance Department

Daniel Lynch
Finance Director

**City of Dover, New Hampshire
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007**

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INTRODUCTORY SECTION

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City Manager

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City of Dover, New Hampshire OFFICE OF THE CITY MANAGER

January 10, 2008

To the Honorable Mayor and members of the City Council:

City Charter Section C6-12, Independent Audit, requires an annual independent audit of all City accounts at least annually. This report, including the opinion of the independent auditor, is published to fulfill that requirement for the fiscal year ending June 30, 2007.

This report consists of the management's representations concerning the finances of the City of Dover. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making the representations, management has established comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City's financial statements have been audited by Melanson Heath & Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements for fiscal year ending June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based on their audit, that there was reasonable basis for rendering an unqualified opinion that the financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of Government

Geography. Dover, New Hampshire is located ten miles from the Atlantic Ocean in southern New Hampshire and is 48 miles south of Portland, Maine and 68 miles north of Boston, Massachusetts. Situated at the confluence of the Cochecho, Salmon Falls and Bellamy Rivers, Dover is a major New Hampshire industrial, employment, and distribution center for the seacoast. Dover provides a gateway to both the Maine coast and the White Mountains of New Hampshire. The City of Dover occupies an area of 29 square miles and serves a population of 26,884, based on the 2000 Census.

The City of Dover, settled in 1623, is the oldest continuous settlement in New Hampshire and the seventh oldest in the United States. It was incorporated on June 29, 1855. The City Charter in effect for the first half of the fiscal year 2006 was adopted on March 9, 1977. The second half of the fiscal year was governed by a new charter passed on November 8, 2005 and effective January 1, 2006. Only minor changes were made versus the old charter. Dover operates under the council-manager form of government. Dover is the seat of Strafford County.

Services. The City of Dover provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, sanitation services such as solid waste disposal and recycling, water distribution, wastewater collection and treatment, recreational and cultural events and education from kindergarten through grade 12 with a regional vocational center and alternative high school opportunities.

Governing Boards. The City Council, consisting of nine members, is the legislative body elected in non-partisan elections every two years, with one representative from each of six wards, two elected at-large and a Mayor. The City Council is responsible, among other things, for passing ordinances, adopting the annual budget, adopting a six year capital program, adopting bond authorizations, appointing committees and boards, and hiring of the City Manager. The City of Dover is empowered by

state statute to levy property taxes on real property located within its boundaries to fund operations.

The Dover School Department is a dependent school district. The City Council has bottom line appropriation authority for the School Department budget. The seven member Dover School Board is elected in non-partisan elections every two years and has authority to allocate and move appropriations within its budget.

Administration. Administrative functions are carried out by the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, compliance with State and Federal laws, for overseeing the day-to-day operations of the government, for appointing the heads of the various departments, for negotiating with the various bargaining units of the City and making recommendations to the City Council on various issues.

Administrative functions of the dependent School district are carried out by the School Board. The Board is responsible for carrying out policies and procedures, compliance with State and Federal laws, overseeing the day to day operations of the dependent School district, negotiating with the various bargaining units, making appointments of school personnel, establishing curriculum and addressing various issues.

Fiscal Year and Budget. The City's fiscal year begins on July 1st of each year and ends the following June 30th. The City's budget process commences in the fall of each year with the Capital Improvements Program budget. All capital spending of \$10,000 or more for items with useful lives of 3 years or longer are included in this budget. Based on City Council financing policy, items are identified for bonding, annual operating budget or other type of financing.

Items identified for the annual operating budget are included in the next City Manager's recommended annual budget. Departments are responsible for submitting their annual budget request to the City Manager. After reviews with the departments, the City Manager makes any final adjustments to his recommended budget. The City Manager's recommended annual budget for the next fiscal year, which includes the School Board request, is due to the City Council by April 15th of each year.

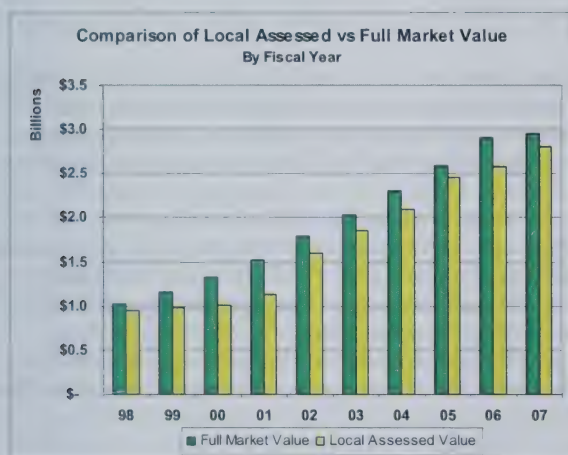
The City Council may add to, or cut from, the Manager's recommended annual budget by majority vote; however, the City Council must pass the budget by June 15th after separate public hearings for the City and School budgets and the budget becomes effective July 1. If the City Council does not adopt the budget by June 15th, the City Manager's recommended budget takes effect July 1.

After the original budget is adopted, the City Manager may make appropriation transfers within a non-school department or transfer between non-school departments with City Council approval. After initial adoption, the City Council may amend the budget by two-thirds vote.

Factors Affecting Financial Condition

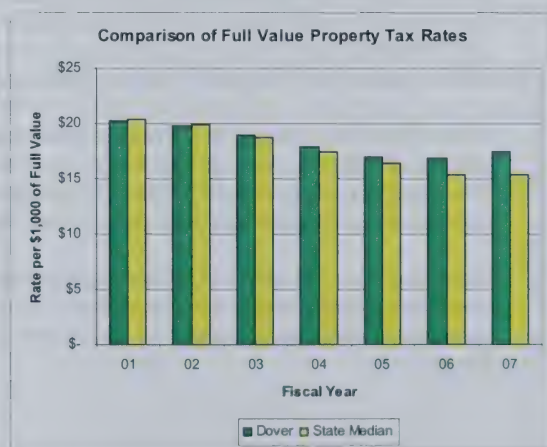
Local Economy. The local economic environment over the past fiscal year has remained relatively stable in terms of business growth and moderating property values. Ongoing economic development projects in the City bode well for continued stability and future positive growth despite growing concern with changes taking place in the national economy. Although local trends remain generally level and positive, the City's financial and economic indicators are routinely evaluated for growing recessionary pressures that are becoming evident elsewhere in the country.

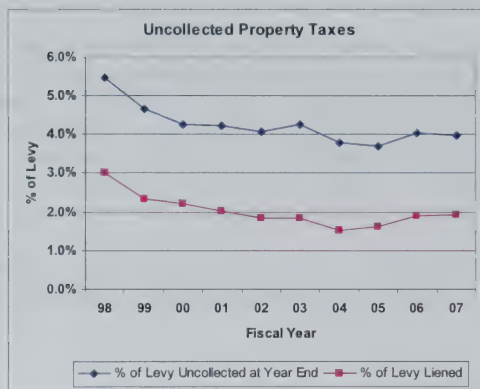
Full market value as determined by the NH Department of Revenue Administration increased 1.6% during the fiscal year. Assessed value as a ratio of full market value was 95.1%.



The number of real estate transfers decreased to 977 in FY07 compared to 1,198 in FY06. This slowing in sales activity represents transfers of 10.2% of taxable parcels for FY07. While equalized value per capita increased from \$99,995 for FY06 to \$101,313 for FY07, up 1.3% for the fiscal year recently ended, more recent sale analyses support indications of a slowing in the appreciation of property values for the current year.

The City's full value property tax rate remained stable in comparison to the NH State median. The median reflects the mid point of all rates in the State. Because Dover remains approximately at the median, this means that about half of the tax rates in the State are higher than Dover's and about half are lower. This is a good measure of tax burden as all municipal assessed values are brought to full market value and tax rates equalized.





The percentage of uncollected taxes for the current tax levy at the end of fiscal year 2007 remained steady equal to the FY06 level of 4.0% (actual amount increasing from \$1.97 million to \$2.04 million). There were 353 parcels from the current tax levy with outstanding taxes that had a lien placed, up from 278 last year. Although the number of delinquent parcels increased by 0.7%, the dollar amount of the liens remained steady at 1.9% of the tax levy.

The annual average for unemployment here in Dover for 2007 was 3.3%. This level is 0.2% above the 2006 local level and remains below both the State and U.S. averages of 4.0% and 4.5% respectively. Meanwhile, the demand for general welfare assistance to local residents during the fiscal year ending in 2007 saw a favorable 7.1% decline.

The City saw positive business growth continue with the development of new and expanded commercial properties during fiscal year 2007. This has continued a positive trend experienced over the past few years. Liberty Mutual completed construction and now occupies a 350,000 square foot office building allowing expansion of their workforce by 2,050 employees. These new employees have added to the existing 1,400 people already working at their original 250,000 square foot building.

The Liberty Mutual construction project and related off-site improvements have undoubtedly spurred additional commercial growth in the area including the ongoing construction of a new long term stay hotel and a restaurant adjacent to Northeast Credit Union along Indian Brook Drive. Also adjacent to the credit union, a 100,000 sq ft office building is being constructed and is fully leased to house new medical offices related to Wentworth Douglas Hospital.

Also in the Indian Brook Drive area, construction is in progress on a 435 car park and ride facility that will include a new bus depot run by C&J Trailways. C&J Trailways in conjunction with COAST, the local public transit service, will run an express commuter service between Rochester and Portsmouth.

Along the upper stretch of Central Avenue a new Walgreens retail drug store has been constructed and is now operating. Across the street, a Panera Bread restaurant has been approved to be located on the green space in front of Shaw's Plaza.

Elsewhere in the City, the Planning Board and City Council approved a zoning change to encourage mixed-use development with both housing and retail components. As a result, a 37,000 square foot Hannaford grocery store was completed off Durham Road. Plans call for an additional 40,000 square feet of retail and services to be constructed along with 64 units of over 55 housing. A second project in the City's south end, which includes medical offices as well as a congregate care facility, and a separate car dealership, has received preliminary approval.

Foster's Daily Democrat completed a 12,000 square foot addition to their Venture Drive building, which allowed them to completely vacate their main office in downtown Dover. The downtown building has been approved as a mixed-use building housing retail, office, and residential uses. In addition to their approved renovation plan, Fosters has explored alternative reuse scenarios for the building which have the possibility for further enhancing the scope of the planned development.

The City's recreation facility at the Butterfield Gym was relocated to the completed McConnell Center providing improved facilities and more central access to users of all ages. The McConnell Center has developed successfully into a community center, housing not only the City's recreation center but many educational and social services used by our residents. In addition to recreation facilities, the McConnell Center also houses the Dover Children's Center, a day care center, the Police Outreach offices for youth services, Dover City Welfare, a Senior Center, the HUB family support services, Dover Adult Learning Center, Easter Seals and several other social service providers.

The Children's Museum of Portsmouth, newly renamed The Children's Museum of NH, has now started renovating the 20,000 square foot Butterfield Building vacated by the City's recreation programs. Extensive renovation work funded by private donations and grants awarded to the non-profit museum are expected to be completed during summer 2008. Museum officials anticipate an opening during the early fall of 2008. The Museum's activities are expected to attract a minimum of 75,000 visitors annually to the downtown adding a family oriented vitality and new business opportunities to the City's central business district.

The downtown economy is further benefiting from the ongoing redevelopment of the Cochecho Waterfront parcel. Redevelopment efforts envisioned for many years have moved forward significantly in the past year with the designation of a developer to bring the project to fruition. The \$75 million privately financed project will include commitments to construct high end residential condominium units, more than 30,000 square feet of retail and office space, and boating facilities and a restaurant along the riverfront in Dover's downtown.

Financial Position. The City's General Fund ended Fiscal Year 2007 with an increase to its Undesignated Fund Balance of \$272,319 to \$5.1 million. The General Fund has been in the black since the deficits of the early 1990s. The General Fund undesignated fund balance at June 30, 2007 was 6.6% of the FY08 budget (6% is the minimum requirement of the City Financial Policies). The Water and Sewer Funds saw decreases in their unrestricted net assets by \$985,788 and \$1,004,406 to \$0.9 million and \$2.9 million, respectively. The Arena Fund unrestricted net deficit increased by \$198,821 to \$2.4 million. The City continues efforts to balance the fund, including scheduled fee increases.

Unreserved Net Assets		
Fund	FY06	FY07
General	4,796,633	5,068,952
Water	1,838,089	852,301
Sewer	3,931,850	2,927,444
Arena	(2,176,567)	(2,375,388)
Total	8,390,005	6,473,309

The liquidity of the General, Water and Sewer Funds is good. This is based on the quick ratio which is a measure of current asset (excluding inventories) divided by current liabilities. A ratio of 1 is considered satisfactory. The General Fund had a quick ratio of 1.72 with Water and Sewer Funds of 1.14 and 1.47, respectively.

The amount of debt incurred by the City remains below the recommended policy limits established by the City Council. The City's self-imposed policy limits are significantly lower than those set by State statute. As of June 30, 2007 the percent of the City's more conservative debt policy used was 73.8%, the School was 54.2%. General Fund net debt per capita is at \$2,182, an amount considered reasonable for a municipality the size of Dover. The General Fund's net debt to equalized value remained at 1.8%. The General Fund's net debt service as a percent of budget is 11%. Although this measure is higher than the 8% recommended by policy, it is partially as a result of a higher rate of debt pay down resulting in a favorable reduction in the cost for debt. Pay down of General Fund debt over the next 10 years is at 75.4%, above the 65% suggested by policy and is considered aggressive by credit agencies.

The Water and Sewer funds also remained within the debt policy limit with 87.3% and 29.5% used respectively. Water and Sewer debt represents 56.6% and 21.6% of the capital assets. Net debt service to budget in the Water Fund is 38.7% and 21.7% within the Sewer Fund, within the 40% set by policy.

In August of 1999 the City received a bond rating upgrade from Moody's Investor Services to a Baa1. The City received a second upgrade to A3 in May 2001 and a third in June 2003 to A2. The City also received upgrade to A2 from Moody's and a rating from Standard & Poor's of A+ in June 2003. Both ratings were sustained in June 2004. In June 2005 the City received dual rating upgrades to A1 from Moody's and AA- from Standard & Poor's. Both ratings were sustained in 2006 and reaffirmed in 2007.

Condition Summary. The local economy continues to be stable with current development activity expected to contribute positively to the community. The City's business community job base continues to expand with new opportunities for further diversification. There is also a well diversified business and job base in the surrounding communities further supporting stability in the local community. The financial position of the major funds of the City are considered healthy with the exception of the continuing cash deficit in the Arena Fund. As a result, continuing attention is being given to the Arena operation and efforts continue to grow reserves in all of the City's major funds.

Despite positive economic growth being experienced within the City, financial indicators are being closely monitored for any downward trends that reflect a reversal in the City's condition. Although the majority of the City's financial indicators have slowed in growth, most remain positive. Even with recessionary concerns appearing throughout the country, changes in the City's financial indicators are not of a magnitude to suggest a complete reversal in the momentum experienced over the course of the past few years. Instead, it is more likely that current financial measures are indicative of a more moderate level of activity continuing during the near term and throughout the current economic cycle.

Acknowledgements

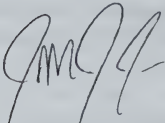
This report continues to refine the financial reporting of the City. It is the fourth year the City has produced a comprehensive annual financial report (CAFR). This report includes the implementation of Governmental Accounting Standards Board's Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. An actuarially determined liability of the City cost of medical benefits provided to retirees, and employees that will be eligible to receive such benefits upon retirement of the City, is incorporated into the financial statements and the footnotes. This represents early implementation of this statement which is required to be included in the financial statements for the period ending June 30, 2009.

The City received the Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year 2004, 2005 and 2006 CAFR. This recognizes the City's Finance Department's efforts for full disclosure of the financial information of the City. A CAFR is a much more detailed reporting of the City's finances, as well as providing historical information in the statistical section of this report. The Certificate of Achievement is valid for a period of one year only. The City believes that the current CAFR continues to meet the Certificate of Achievement Programs' requirement and it will be submitted to the Government Finance Officer's Association to determine its eligibility for another certificate.


The publication of the CAFR requires many staff hours to accomplish and would not have been possible without the dedication of the entire staff of the Finance Department. Credit must also be given to the Mayor and City Council for their continued

support of the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

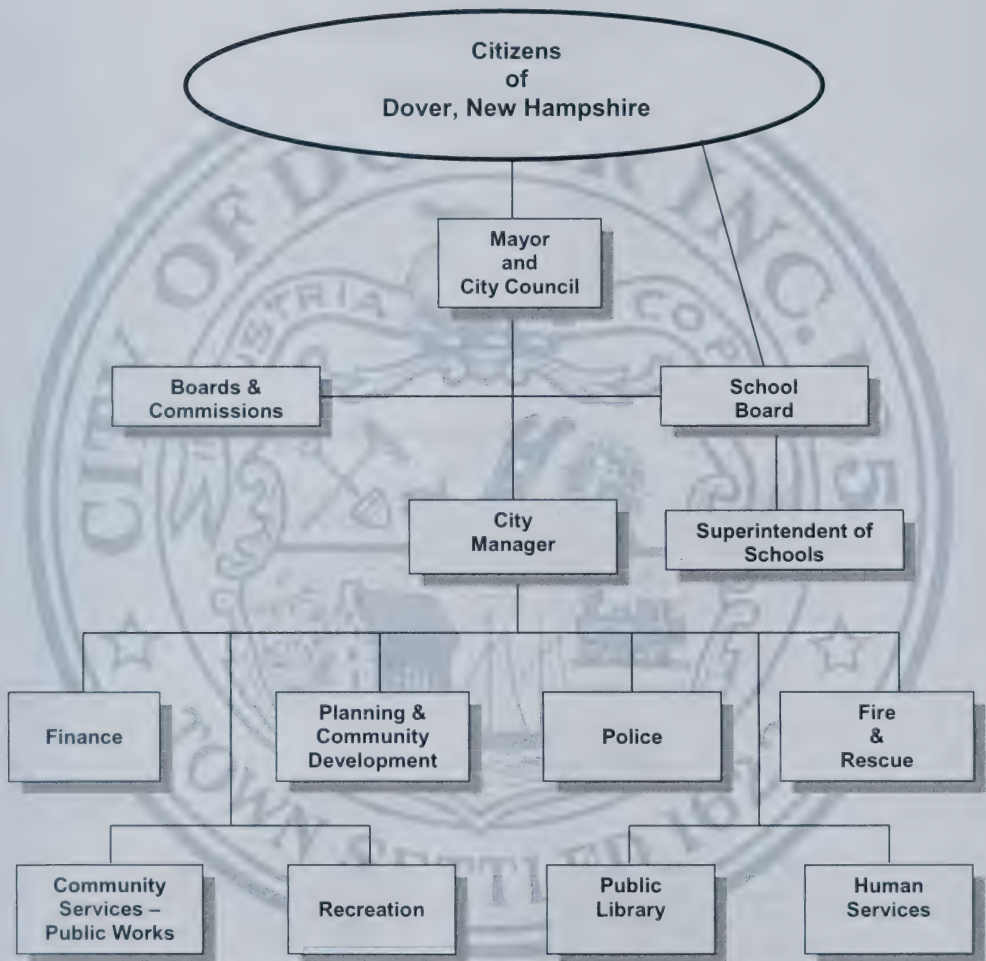
A handwritten signature in black ink, appearing to read "J. Michael Joyal, Jr." in a cursive style.

J. Michael Joyal, Jr.
City Manager

A handwritten signature in black ink, appearing to read "Daniel R. Lynch" in a cursive style.

Daniel R. Lynch
Finance Director

City of Dover Organizational Chart





City of Dover

New Hampshire

City Council Members

Mayor: Scott Myers

Ward 1: Robert Keays
Ward 2: Douglas Dede
Ward 3: David Scott
At Large: Karen Weston

Ward 4: Dean Trefethen
Ward 5: Catherine Cheney
Ward 6: Richard P. Callaghan
At Large: Steven McCusker

City Manager

J. Michael Joyal, Jr.

City Departments

Finance
Planning
Police
Fire and Rescue
Community Services
Recreation
Public Library
Human Services

Daniel R. Lynch
Christopher G. Parker
Anthony F. Colarusso, Jr.
Perry Plummer
Douglas W. Steele II
Gary Bannon
Cathy Beaudoin
Janet A. Poulin

School Board

Ward 1: Beth Setear
Ward 2: Britt Ulinski Schuman
Ward 3: Carolyn J. Mebert
Ward 4: Dorothea Hooper

Ward 5: Audra Lurvey
Ward 6: Marjorie Fisher
At Large: Doris Grady

Superintendent of Schools

Dr. John E. O'Connor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Dover
New Hampshire

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Ronald Platen".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enner".

Executive Director

FINANCIAL SECTION



Melanson Heath & Company, PC

Certified Public Accountants
Management Advisors

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Dover, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, New Hampshire, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Dover's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, appearing on the following pages, and the supplementary information on page 73 are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. We have applied certain limited procedures,

Additional Offices:

which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the City of Dover, New Hampshire's basic financial statements. The introductory section, supplementary statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2008 on our consideration of the City of Dover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
January 10, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Dover, we offer readers this narrative overview and analysis of the financial activities of the City of Dover for the fiscal year ended June 30, 2007. We encourage readers to consider the information here in conjunction with additional information that we have furnished in our letter of transmittal.

A. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$114,659,001 (i.e., net assets), an increase of \$2,460,932 in comparison to the prior year.
- As of the close of the current fiscal year, total of assets of governmental activities exceeded liabilities by \$59,776,700 (i.e., net assets), an increase of \$2,919,382 in comparison to the prior year.
- At the end of the current year, total assets of business-type activities exceeded their liabilities by \$54,882,301, a decrease of \$458,450 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$35,262,690, an increase of \$4,807,817 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$5,068,952, an increase of \$272,289 in comparison with the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$108,423,146, an increase of \$13,217,323 in comparison to the prior year.

B. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Dover's basic financial statements. The basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities include water, sewer, arena, and Dover Business and Industrial Development Authority (DBIDA) activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Annual appropriated budgets are adopted for the general fund and certain nonmajor governmental funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with these budgets.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer, arena and DBIDA operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, arena, and DBIDA operations, all of which are considered to be major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the *Governmental Accounting Standards Board*.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$114,659,001, an increase of \$2,460,932 from the prior year.

Financial Position. The following is a summary of condensed government-wide financial data of net assets for the current and the prior fiscal years.

NET ASSETS						
Amounts presented in 000s						
	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
Current and Other Assets	\$ 39,720	\$ 45,248	\$ 23,030	\$ 19,235	\$ 62,750	\$ 64,483
Capital Assets	101,337	113,751	64,644	68,056	165,982	181,807
Total Assets	\$ 141,057	\$ 158,999	\$ 87,675	\$ 87,291	\$ 228,732	\$ 246,290
Long-term Liabilities	\$ 71,666	\$ 91,803	\$ 28,650	\$ 31,650	\$ 100,316	\$ 123,453
Other Liabilities	12,534	7,419	3,684	759	16,218	8,178
Total Liabilities	\$ 84,200	\$ 99,222	\$ 32,334	\$ 32,409	\$ 116,534	\$ 131,631
Net Assets:						
Invested in Capital Assets	\$ 56,387	\$ 57,412	\$ 49,120	\$ 49,735	\$ 105,507	\$ 107,147
Restricted	136	221	2,629	3,620	2,764	3,841
Unrestricted	335	2,144	3,592	1,527	3,927	3,671
Total Net Assets	\$ 56,857	\$ 59,777	\$ 55,341	\$ 54,882	\$ 112,198	\$ 114,659

By far, the largest portion of net assets, \$107,147,560 or 93.4 percent, reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$3,840,571 represents resources that are subject to external restrictions on how they may be used. The remaining net balance represents unrestricted net assets and at the end of the fiscal year is \$3,670,870. It is the balance of unrestricted funds that may be used to meet the government's ongoing obligations to citizens and creditors.

The unrestricted net asset balance consists of \$2,143,471 for governmental activities and \$1,527,399 for business-type activities. The governmental activities net assets include the reflection of major liabilities of the Tolend Road Landfill mitigation of \$6,263,966, compensated absences of \$2,805,917 and other post employment benefits (OPEB) of \$4,777,844.

The \$6,263,966 for Tolend Road Landfill mitigation represents the mitigation costs and the post mitigation maintenance and monitoring costs. This is a decrease of \$1,150,000 from the prior year. The decrease relates to the City financing a portion of the accepted new mitigation method versus the original capping requirement through long-term debt. The City anticipates the mitigation costs to be

financed with long-term debt which is included in the City's six year Capital Improvements Program. The maintenance and monitoring costs are expected to be financed within the annual operating budget, as needed.

The \$2,965,139 for compensated absences represents the accrued employee leave benefits, payable as taken or at termination. This is a decrease of \$251,056 from the prior year. The City has funded \$551,418 of the liability.

The \$4,777,844 OPEB liability represents the early implementation of Governmental Accounting Standards Board (GASB) Statement No. 45. The purpose of the statement is to reflect the liability of health care or other post employment benefits provided to separated or retired employees. The portion of the liability reflected in the Financial Statements is the first two years of a 30 year amortization of the total liability. City employees hired before specific dates may receive all or part of their health care benefits paid for by the City. School employees are self pay basis only but impact the premiums of the health plans of all School employees. The table below shows the number of eligible individuals involved in the calculation for both the City and School and the average total liability.

Group	Eligible Employees and Retirees	Average Total Liability per Person
City	206	\$150,288
School	425	6,177
Combined	631	\$53,224

Please refer to the Financial Statement footnote 18 and Required Supplemental Information for more on the OPEB liability.

Financial Results. The following is a summary of condensed government-wide financial data of changes in net assets for the current fiscal and prior fiscal years.

CHANGE IN NET ASSETS

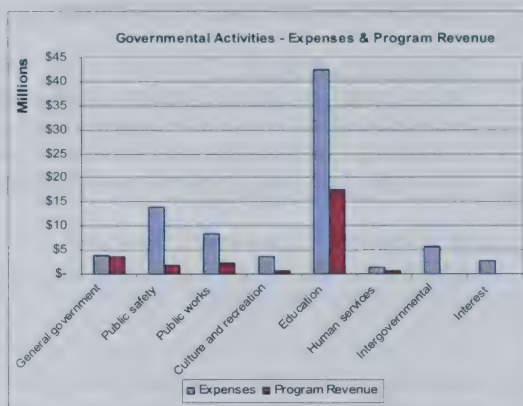
Amounts presented in 000s

	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
Revenues:						
Program revenues:						
Charges for services	\$ 17,880	\$ 18,876	\$ 8,651	\$ 8,877	\$ 26,531	\$ 27,753
Operating grants and contributions	6,061	7,100	-	-	6,061	7,100
Capital grants and contributions	1,213	971	539	552	1,752	1,523
General revenues:						
Property taxes	49,606	52,129	-	-	49,606	52,129
Motor vehicle registration	3,969	3,927	-	-	3,969	3,927
Penalties and interest on taxes	4	16	-	-	4	16
Investment income	1,008	1,812	52	87	1,060	1,899
Other	233	447	11	-	244	447
Extraordinary item	6,396	-	-	-	6,396	-
Total Revenues	86,370	85,278	9,253	9,516	95,623	94,794
Expenses:						
General government	3,671	3,834	-	-	3,671	3,834
Public safety	12,866	13,974	-	-	12,866	13,974
Public works	9,128	8,381	-	-	9,128	8,381
Culture and recreation	2,883	3,656	-	-	2,883	3,656
Education	41,198	42,505	-	-	41,198	42,505
Human services	1,310	1,445	-	-	1,310	1,445
Intergovernmental	5,455	5,750	-	-	5,455	5,750
Interest on long-term debt	2,108	2,813	1,195	1,435	3,303	4,248
Water operations (1)	-	-	2,678	2,857	2,678	2,857
Sewer operations (1)	-	-	4,303	4,341	4,303	4,341
Arena operations (1)	-	-	1,260	1,332	1,260	1,332
DBIDA operations	-	-	39	10	39	10
Total Expenses	78,619	82,358	9,475	9,975	88,094	92,333
Change in Net Assets before Transfers	7,751	2,920	(222)	(459)	7,529	2,461
Transfers in (out)	27	-	(27)	-	-	-
Change in Net Assets	7,778	2,920	(249)	(459)	7,529	2,461
Net Assets - beginning of year	49,079	56,857	55,590	55,341	104,669	112,198
Net Assets - end of year	\$ 56,857	\$ 59,777	\$ 55,341	\$ 54,882	\$ 112,198	\$ 114,659

(1) Excludes interest on long-term debt reflected separately.

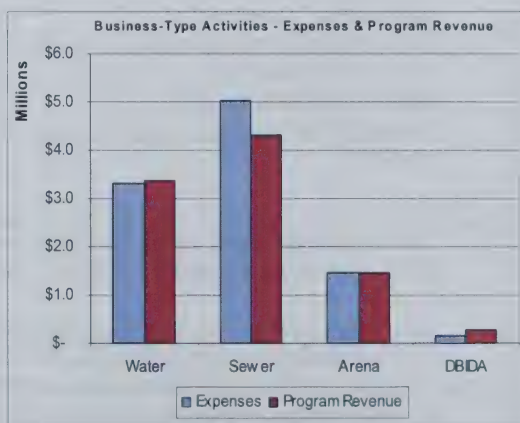
Governmental activities. Governmental activities for the year resulted in an increase in net assets of \$2,919,382. Key elements of this increase are as follows:

- The change in net assets consists mainly of a net increase in invested in capital assets, net of related debt of \$1,025,275, a net increase in unrestricted net assets of \$1,808,719, and a net increase of \$85,388 in restricted net assets. Key element of this increase deals with a decrease in Toland Road Landfill liability of \$1,150,000.



Business-Type Activities. Business-type activities for the year resulted in a decrease in net assets of \$458,450 or 0.8%. Key elements of this change are as follows:

- The Water Fund increased net assets by \$119,222 or 0.70%. This consists mainly of operating revenues coming in short of budget by \$184,390, operating expenses being \$99,267 lower than budget, and interest expense being \$19,379 lower than budget. The fund also received investment fees of \$84,800.
- The Sewer Fund had a decrease in net assets of \$683,208 or 1.7%. The change consists of charges for services coming in short of budget by \$482,188 and expenses being lower than budget by \$135,626.
- The Arena Fund had a decrease in net assets of \$18,996 due mainly to a shortage of \$29,900 in revenue and expenses being lower than budget by \$45,375 and an additional unbudgeted OPEB expense of \$31,742.



D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

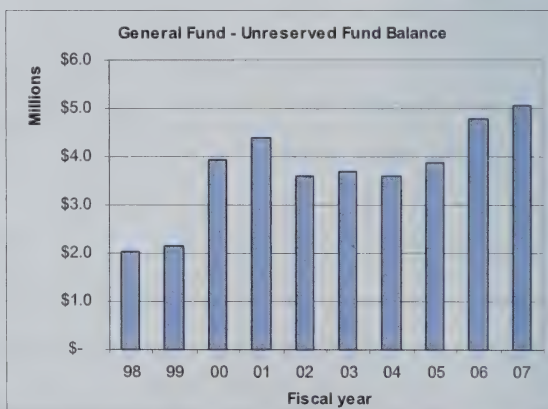
As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$35,262,690, an increase of \$4,807,817 in comparison with the prior year. Most of this increase was attributable to a net Capital Projects increase of \$3,132,388 and net increase of the General Fund of \$1,151,841. The net Capital Projects included realizing of \$18,196,000 in bond proceeds less expenditures of \$15,639,184. The General Fund change consists of an increase in the unreserved fund balance of \$272,319 and an increase in reserved balances of \$879,522.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,068,952, while total fund balance was \$9,094,544.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7.0 percent of total general fund expenditures, while total fund balance represents 12.6 percent of that same amount.



The unreserved fund balance of the general fund increased by \$272,319, or 5.7%, during the current fiscal year. Key factors in this change are as follows:

- A net increase to fund balance of \$2,458,420 from net financing sources exceeding budget estimates, consisting of \$1,854,077 of revenues in excess of budget estimates and \$604,343 of unencumbered appropriations. The excess revenue consists mainly of \$701,494 excess investment income and \$338,135 excess education revenue. The unencumbered appropriations consisted mainly of \$406,667 for General Government, \$92,094 for the School Department, and \$123,045 for Public Works.

- A decrease to fund balance of \$222,599 for deferred property tax revenue.
- A decrease to fund balance of \$133,580 for the increase in the reserve for advances to the Arena Fund.
- A decrease to fund balance of \$824,177 for carryover appropriations reserved for future years capital outlay.
- An increase to fund balance of \$69,142 for lapsed prior year encumbrances and capital outlay appropriations.

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$1,527,399. This amount consists of the Water Fund of \$852,301, the Sewer Fund of \$2,927,444, the Arena Fund deficit of \$2,375,388 and the Dover Business and Industrial Development Fund (DBIDA) of \$123,042.

Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget resulted in an overall increase in appropriations of \$1,225,151. Major reasons for these amendments include:

- \$750,000 for repairs to City facilities and infrastructure as a result of April 2007 flood damage.
- \$425,000 for funding FY 07 Dover Teachers' Union Collective Bargaining Agreement costs.

These two supplemental appropriations, totaling \$1,175,000, were funded from use of fund balance.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Capital assets for governmental and business-type activities at year-end amounted to \$181,806,457 (net of accumulated depreciation), an increase of \$15,824,646 from the prior year. This investment in capital assets includes land, buildings and system, improvements, and machinery and equipment. The following yearly comparison shows net fixed assets by category:

Capital Assets (000s)
(net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2006	2007	2006	2007	2006	2007
Land	\$ 11,546	\$ 13,306	\$ 2,037	\$ 2,037	\$ 13,583	\$ 15,343
Buildings and improvements	43,219	53,595	23,877	23,207	67,096	76,802
Machinery and equipment	10,344	9,903	2,953	4,738	13,297	14,641
Infrastructure	18,546	17,838	31,997	32,772	50,543	50,610
Construction in Progress	17,683	19,109	3,782	5,301	21,465	24,410
Total Assets	\$ 101,338	\$ 113,751	\$ 64,646	\$ 68,055	\$ 165,984	\$ 181,806

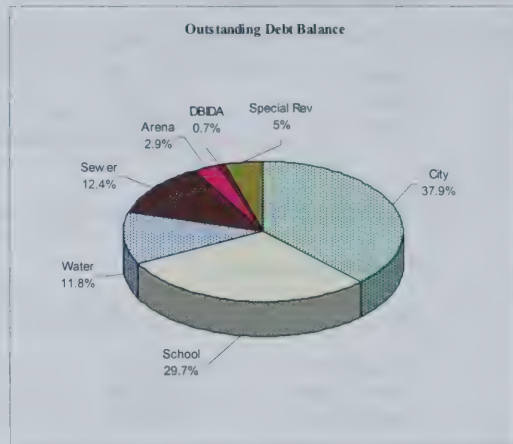
Major capital asset events during the current fiscal year included the following:

- The increase to land of the governmental activities relates to the City's purchase of open space conservation land of \$1,793,745.
- The increase to building and improvements of the governmental activities relates mainly to School improvements of \$4,512,007, McConnell Center renovations of \$6,712,136, and Butterfield Building improvements of \$196,578.
- There were additions to machinery and equipment of the governmental activities for equipment and vehicles of \$487,295 books and collections of \$393,999 and computers and communication equipment of \$65,773. These additions were offset by depreciation on older equipment.
- The governmental activities infrastructure change includes an addition of \$1,025,403 in street improvement projects.
- The \$19,109,656 of governmental activity construction in progress relates mainly to \$8,219,328 for the Tolend Road Landfill hazardous landfill mitigation project, \$3,408,726 for the Cochecho River Dredge Cell project, \$2,402,450 for school improvements and \$3,458,968 for street improvements.
- There were additions to business-type activity machinery and equipment of \$204,182 for water and sewer's share of the Supervisory Control and Data Acquisition (SCADA) equipment to assist in monitoring and controlling water well and sewer pump station equipment activity.
- There were additions to business-type activity infrastructure improvements of \$1,987,637 mainly related to Waste Water Treatment Plant UV Unit Upgrade and the additions of water mains.
- There was \$5,301,449 of business-type activity construction in progress at the end of the year. The Water Fund is related mainly to \$3,649,997 in

Bouchard Well. The Sewer Fund amount is made up mainly of \$1,217,782 for Varney Brook Forcemain Redesign.

Additional information on capital assets can be found in Note 8 of the Financial Statements.

Long-term debt. At the end of the current fiscal year, total long-term debt outstanding was \$108,423,146, a net increase of \$13,217,323 over the previous fiscal year end. All the long term debt was backed by the full faith and credit of the City except for the balance of an FY06 Dover Business and Industrial Development Authority flow through loan to a private firm from the New Hampshire Business Finance Authority of \$1,936,454.



Long-term Debt (000s)

	Governmental Activities		Business-Type Activities		Totals	
	2006	2007	2006	2007	2006	2007
General Obligation Bonds	\$ 63,189	\$ 76,730	\$ 31,338	\$ 31,100	\$ 94,527	\$ 107,830
Other Long Term Debt	678	593	-	-	678	593
Total Long-term Debt	\$ 63,867	\$ 77,323	\$ 31,338	\$ 31,100	\$ 95,205	\$ 108,423

- During the fiscal year, the City issued \$20,646,000 in general obligation serial bonds; \$18,196,000 related to governmental activities and \$2,450,000 related to business-type activities. The City bonds were insured by MBIA and were rated Aaa by Moody's Investors Service and AAA by Standard & Poor's. The underlying credit rating of the City was an A1 rating from Moody's Investor Service and an AA- from Standard & Poor's. Competitive bids were solicited and the City received 6 bids on June 14, 2007. Merrill Lynch & Co. was awarded the bid at a true interest cost of 4.479 percent. The bonds were dated June 15, 2007 and mature June 15, 2027. Bonds dated on or after June 15, 2017 may be redeemed prior to the maturity date at the option of the City.

Additional information on long term debt can be found in Note 13 of the Financial Statements.

G. NEXT YEAR'S BUDGETS AND RATES

The budget, tax levies and tax rates of the General Fund for the subsequent fiscal year have been formalized. The following table reflects the budget amounts, at the time of tax rate setting, for each year for the General Fund.

General Fund Budget	FY07	FY08	Increase (Decrease)	% Change
City	\$ 27,671,149	\$ 29,264,198	\$ 1,593,049	5.8%
School	39,002,488	41,602,560	2,600,072	6.7%
County	5,750,204	5,922,221	172,017	3.0%
Total Budget	<u>\$ 72,423,841</u>	<u>\$ 76,788,979</u>	<u>\$ 4,365,138</u>	<u>6.0%</u>

The following table reflects the property tax levy amounts for each year.

Property Tax Levies	FY07	FY08	Increase (Decrease)	% Change
City	\$ 18,123,568	\$ 19,974,876	\$ 1,851,308	10.2%
School - Local	20,901,778	22,735,976	1,834,198	8.8%
School - State	6,494,080	6,476,696	(17,384)	-0.3%
Total School	<u>27,395,858</u>	<u>29,212,672</u>	<u>1,816,814</u>	<u>6.6%</u>
County	5,700,152	5,872,169	172,017	3.0%
Total Tax Levy	<u>\$ 51,219,578</u>	<u>\$ 55,059,717</u>	<u>\$ 3,840,139</u>	<u>7.5%</u>

The following table reflects the property tax rates for each year. The tax rate is stated per \$1,000 of assessed value.

Property Tax Rates	FY07	FY08	Increase (Decrease)	% Change
City	\$ 6.72	\$ 7.23	\$ 0.51	7.6%
School - Local	7.56	8.02	0.46	6.1%
School - State	2.38	2.31	(0.07)	-2.9%
Total School	<u>9.94</u>	<u>10.33</u>	<u>0.39</u>	<u>3.9%</u>
County	2.06	2.07	0.01	0.5%
Total Tax Rate	<u>\$ 18.72</u>	<u>\$ 19.63</u>	<u>\$ 0.91</u>	<u>4.9%</u>

The budget and user fees of the utility funds for the subsequent fiscal year have been formalized. The following table reflects the original adopted budget amounts for each year for the Water and Sewer Funds.

Utility Funds	FY07	FY08	Increase (Decrease)	% Change
Water Fund	\$ 3,478,798	\$ 3,938,519	\$ 459,721	13.2%
Sewer Fund	5,491,118	5,518,186	27,068	0.5%
Total Utility Funds	<u>\$ 8,969,916</u>	<u>\$ 9,456,705</u>	<u>\$ 486,789</u>	<u>5.4%</u>

The following table reflects the utility rates per one hundred cubic feet (HCF) of water consumption for each year. (1 HCF = 748 gallons)

Utility Rates	FY07	FY08	Increase (Decrease)	% Change
Water Fund	\$ 3.12	\$ 3.53	\$ 0.41	13.1%
Sewer Fund	4.34	4.39	0.05	1.2%
Combined Rates	<u>\$ 7.46</u>	<u>\$ 7.92</u>	<u>\$ 0.46</u>	<u>6.2%</u>

Discussions of other financial and economic factors are included in the Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Dover's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director, City of Dover
Municipal Building
288 Central Avenue
Dover, New Hampshire 03820

The City of Dover's web site contains additional financial information at:

www.ci.dover.nh.us

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CITY OF DOVER, NEW HAMPSHIRE

STATEMENT OF NET ASSETS

JUNE 30, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 45,220,215	\$ 2,499,734	\$ 47,719,949
Investments	2,385,143	-	2,385,143
Receivables, net of allowance for uncollectibles:			
Property taxes	2,440,092	-	2,440,092
User fees	-	1,448,990	1,448,990
Departmental and other	970,673	-	970,673
Intergovernmental	904,618	965,215	1,869,833
Internal balances	(9,522,703)	9,522,703	-
Capital lease receivable	-	54,678	54,678
Inventory	87,728	318,043	405,771
Other assets	18,919	-	18,919
Total current assets	42,504,685	14,809,363	57,314,048
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental	-	3,369,794	3,369,794
Loans	455,894	-	455,894
Internal balances	2,287,210	(2,287,210)	-
Investment in land	-	1,256,731	1,256,731
Capital lease receivable	-	2,086,775	2,086,775
Capital assets:			
Land and construction in progress	32,414,960	7,338,178	39,753,138
Other capital assets, net of accumulated depreciation	81,335,932	60,717,387	142,053,319
Total non-current assets	116,493,996	72,481,655	188,975,651
TOTAL ASSETS	158,998,681	87,291,018	246,289,699
LIABILITIES			
Current:			
Accounts payable	2,471,679	183,284	2,654,963
Accrued liabilities	2,964,319	267,355	3,231,674
Retainage payable	500,768	292,883	793,651
Due to fiduciary funds	1,387,444	-	1,387,444
Other current liabilities	94,749	14,911	109,660
Current portion of long-term liabilities:			
Claims liability	252,821	-	252,821
Bonds and loans payable	6,215,838	3,082,868	9,298,706
Compensated absences	151,880	159,222	311,102
OPEB liability	557,748	-	557,748
Total current liabilities	14,597,246	4,000,523	18,597,769
Noncurrent:			
Claims liability, net of current portion	379,232	-	379,232
Bonds and loans payable, net of current portion	71,107,404	28,017,036	99,124,440
Compensated absences, net of current portion	2,654,037	-	2,654,037
OPEB liability	4,220,096	391,158	4,611,254
Liability for hazardous waste-site cleanup, net of current portion	6,263,966	-	6,263,966
Total non-current liabilities	84,624,735	28,408,194	113,032,929
TOTAL LIABILITIES	99,221,981	32,408,717	131,630,698
NET ASSETS			
Invested in capital assets, net of related debt	57,412,322	49,735,238	107,147,560
Restricted for:			
Debt service	-	1,038,441	1,038,441
Capital projects	-	2,581,223	2,581,223
State and federal grants	220,907	-	220,907
Unrestricted	2,143,471	1,527,399	3,670,870
TOTAL NET ASSETS	\$ 59,776,700	\$ 54,882,301	\$ 114,659,001

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

		Program Revenues		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 3,834,147	\$ 1,310,619	\$ 2,390,688	\$ 18,808
Public safety	13,974,469	1,275,129	609,580	-
Public works	8,380,719	1,544,584	13,125	672,193
Culture and recreation	3,655,755	659,630	850	9,778
Education	42,505,294	14,030,649	3,669,395	-
Human services	1,445,035	55,192	416,758	269,993
Intergovernmental	5,750,204	-	-	-
Interest	<u>2,813,594</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>82,359,217</u>	<u>18,875,803</u>	<u>7,100,396</u>	<u>970,772</u>
Business-Type Activities:				
Water services	3,304,778	3,379,209	-	-
Sewer services	5,043,665	3,767,878	-	552,375
Arena services	1,481,949	1,461,474	-	-
DBIDA services	<u>144,500</u>	<u>268,973</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>9,974,892</u>	<u>8,877,534</u>	<u>-</u>	<u>552,375</u>
Total	\$ <u>92,334,109</u>	\$ <u>27,753,337</u>	\$ <u>7,100,396</u>	\$ <u>1,523,147</u>

General Revenues:

Property tax
Motor vehicle registration tax
Penalties and interest
Unrestricted investment earnings
Other revenue

Total general revenues

Change in Net Assets

Net Assets:

Beginning of year

End of year

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets

<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
\$ (114,032)	\$ -	\$ (114,032)
(12,089,760)	-	(12,089,760)
(6,150,817)	-	(6,150,817)
(2,985,497)	-	(2,985,497)
(24,805,250)	-	(24,805,250)
(703,092)	-	(703,092)
(5,750,204)	-	(5,750,204)
(2,813,594)	-	(2,813,594)
<u>(55,412,246)</u>	<u>-</u>	<u>(55,412,246)</u>
-	74,431	74,431
-	(723,412)	(723,412)
-	(20,475)	(20,475)
-	124,473	124,473
<u>-</u>	<u>(544,983)</u>	<u>(544,983)</u>
(55,412,246)	(544,983)	(55,957,229)
52,129,249	-	52,129,249
3,927,069	-	3,927,069
16,009	-	16,009
1,811,976	86,533	1,898,509
447,325	-	447,325
<u>58,331,628</u>	<u>86,533</u>	<u>58,418,161</u>
2,919,382	(458,450)	2,460,932
<u>56,857,318</u>	<u>55,340,751</u>	<u>112,198,069</u>
<u>\$ 59,776,700</u>	<u>\$ 54,882,301</u>	<u>\$ 114,659,001</u>

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2007

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 43,483,392	\$ 1,736,823	\$ 45,220,215
Investments	-	2,385,143	2,385,143
Receivables, net of allowance for uncollectibles:			
Taxes	2,440,092	-	2,440,092
Departmental and other	402,473	500,222	902,695
Intergovernmental	60,732	844,748	905,480
Loans	-	455,894	455,894
Due from other funds	-	26,450,982	26,450,982
Advance to other funds	2,287,210	-	2,287,210
Inventory	-	28,336	28,336
Other assets	15,092	-	15,092
TOTAL ASSETS	\$ 48,688,991	\$ 32,402,148	\$ 81,091,139
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 463,059	\$ 1,957,049	\$ 2,420,108
Accrued liabilities	2,448,731	28,950	2,477,681
Retainage payable	3,048	497,720	500,768
Deferred revenues	1,392,845	455,894	1,848,739
Due to other funds	35,128,417	3,231,485	38,359,902
Compensated absences	63,598	62,904	126,502
Other liabilities	94,749	-	94,749
TOTAL LIABILITIES	39,594,447	6,234,002	45,828,449
Fund Balances:			
Reserved for:			
Encumbrances	808,589	11,007,178	11,815,767
Inventory	-	28,336	28,336
Expenditures	-	20,000	20,000
Advances	2,287,210	-	2,287,210
Other specific purposes	929,793	-	929,793
Unreserved:			
Undesignated, reported in:			
General fund (Note 22)	5,068,952	-	5,068,952
Special revenue funds	-	4,839,885	4,839,885
Capital project funds	-	10,272,747	10,272,747
TOTAL FUND BALANCES	9,094,544	26,168,146	35,262,690
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,688,991	\$ 32,402,148	\$ 81,091,139

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2007

Total governmental fund balances	\$ 35,262,690
<ul style="list-style-type: none">Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	113,750,892
<ul style="list-style-type: none">Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,849,560
<ul style="list-style-type: none">Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	411,602
<ul style="list-style-type: none">In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(478,955)
<ul style="list-style-type: none">Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(77,323,242)
Compensated absences	(2,654,037)
Liability for hazardous waste-site cleanup	(6,263,966)
OPEB liability	<u>(4,777,844)</u>
Net assets of governmental activities	\$ <u>59,776,700</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 51,416,226	\$ 507,669	\$ 51,923,895
Licenses and permits	4,702,403	1,670	4,704,073
Intergovernmental	2,799,048	4,778,084	7,577,132
Current services	1,293,887	4,405,548	5,699,435
Education	11,944,765	-	11,944,765
Miscellaneous	<u>2,001,869</u>	<u>1,219,871</u>	<u>3,221,740</u>
Total Revenues	74,158,198	10,912,842	85,071,040
Expenditures:			
Current:			
General government	4,707,754	2,076,775	6,784,529
Public safety	11,303,843	1,418,212	12,722,055
Public works	4,626,565	8,830,815	13,457,380
Culture and recreation	2,284,641	1,176,414	3,461,055
Education	35,528,132	11,989,055	47,517,187
Human services	604,200	818,265	1,422,465
Intergovernmental	5,750,204	-	5,750,204
Debt service	<u>7,145,950</u>	<u>262,359</u>	<u>7,408,309</u>
Total Expenditures	<u>71,951,289</u>	<u>26,571,895</u>	<u>98,523,184</u>
Excess (deficiency) of revenues over (under) expenditures	2,206,909	(15,659,053)	(13,452,144)
Other Financing Sources (Uses):			
Bonds issued	-	18,196,000	18,196,000
Bond premium	63,961	-	63,961
Transfers in	32,000	1,151,029	1,183,029
Transfers out	<u>(1,151,029)</u>	<u>(32,000)</u>	<u>(1,183,029)</u>
Total Other Financing Sources (Uses)	<u>(1,055,068)</u>	<u>19,315,029</u>	<u>18,259,961</u>
Net change in fund balances	1,151,841	3,655,976	4,807,817
Fund Balances, at Beginning of Year	<u>7,942,703</u>	<u>22,512,170</u>	<u>30,454,873</u>
Fund Balances, at End of Year	\$ <u><u>9,094,544</u></u>	\$ <u><u>26,168,146</u></u>	\$ <u><u>35,262,690</u></u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 4,807,817

- Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay purchases, net	17,072,863
Depreciation	(4,659,353)

- Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., property taxes) differ between the two statements. This amount represents the net change in deferred revenue. 143,599

- The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

Issuance of debt	(18,196,000)
Repayments of debt	4,740,087

- In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. (145,648)

- Some expenses reported in the Statement of Activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Decrease in liability for compensated absences	261,125
Decrease in liability for hazardous waste-site cleanup	1,150,000
Increase in OPEB liability	(2,230,991)

- Internal service funds are used by management to account for Dover Net, Central Stores, fleet maintenance and workers' compensation activities. The net activity of internal service funds is reported with Governmental Activities. (24,117)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 2,919,382

CITY OF DOVER, NEW HAMPSHIRE

Statement of Revenues and Other Financing Sources,
and Expenditures and Other Financing Uses -
Budget and Actual - General Fund

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Other Sources:				
Taxes	\$ 51,471,588	\$ 51,471,588	\$ 51,553,223	\$ 81,635
Licenses and permits	4,360,548	4,360,513	4,702,404	341,891
Intergovernmental	2,221,150	2,221,150	2,310,961	89,811
Current services	1,333,118	1,333,078	1,307,487	(25,591)
Education	11,606,630	11,606,630	11,944,765	338,135
Miscellaneous	973,807	1,024,033	1,988,268	964,235
Other financing sources	32,000	1,207,000	1,270,961	63,961
Total Revenues and Other Sources	71,998,841	73,223,992	75,078,069	1,854,077
Expenditures and Other Uses:				
General Government				
City Council	164,217	168,817	168,896	(79)
Executive	986,436	1,002,071	993,356	8,715
Finance	1,149,239	1,117,240	1,098,812	18,428
Planning	801,949	776,034	775,095	939
Misc. General Government	813,130	1,600,635	1,221,971	378,664
Total General Government	3,914,971	4,664,797	4,258,130	406,667
Public Safety				
Police	6,377,098	6,207,786	6,211,045	(3,259)
Fire	5,142,874	5,370,789	5,383,063	(12,274)
Total Public Safety	11,519,972	11,578,575	11,594,108	(15,533)
Community Services - Public Works	4,763,834	4,840,232	4,717,187	123,045
Culture and Recreation				
Community Services - Recreation	1,228,509	1,262,544	1,260,980	1,564
Public Library	1,136,474	1,098,309	1,098,275	34
Total Culture and Recreation	2,364,983	2,360,853	2,359,255	1,598
Human Services	714,379	626,039	625,898	141
Education	35,778,218	36,211,012	36,118,918	92,094
Debt Service				
Principal	4,671,837	4,696,418	4,700,087	(3,669)
Interest	2,470,443	2,445,862	2,445,862	-
Total Debt Service	7,142,280	7,142,280	7,145,949	(3,669)
Intergovernmental	5,750,204	5,750,204	5,750,204	-
Transfers	50,000	50,000	50,000	-
Total Expenditures and Other Uses	71,998,841	73,223,992	72,619,649	604,343
Excess of revenues and other sources over expenditures and other use:	\$ -	\$ -	\$ 2,458,420	\$ 2,458,420

See accompanying notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2007

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total	
<u>ASSETS</u>						
Current:						
Cash and short-term investments	\$ 1,225,805	\$ 1,230,538	\$ 37,001	\$ 6,390	\$ 2,499,734	\$ -
User fees, net of allowance for uncollectibles						
Billed	205,709	227,798	4,436	-	437,943	-
Unbilled	494,874	516,173	-	-	1,011,047	-
Departmental and other receivables	-	-	-	-	-	66,379
Intergovernmental receivables	-	965,215	-	-	965,215	-
Capital lease receivable	-	-	-	54,678	54,678	-
Due from other funds	4,779,514	4,729,928	313	12,948	9,522,703	998,773
Inventory	264,785	49,308	3,950	-	318,043	59,392
Other assets	-	-	-	-	-	3,827
Total current assets	6,970,687	7,718,960	45,700	74,016	14,809,363	1,128,371
Noncurrent:						
Investment in land	-	-	-	1,256,731	1,256,731	-
Intergovernmental receivable	-	3,369,794	-	-	3,369,794	-
Capital lease receivable	-	-	-	2,086,775	2,086,775	-
Capital assets:						
Land and construction in progress	4,352,890	2,713,094	251,890	20,304	7,338,178	-
Other capital assets, net of accumulated depreciation	17,885,207	38,941,345	3,890,835	-	60,717,387	-
Total noncurrent assets	22,238,097	45,024,233	4,142,725	3,363,810	74,768,865	-
TOTAL ASSETS	29,208,784	52,743,193	4,188,425	3,437,826	89,578,228	1,128,371
<u>LIABILITIES</u>						
Current:						
Accounts payable	37,217	112,231	33,836	-	183,284	51,649
Accrued liabilities	35,647	207,346	19,384	4,978	267,355	7,689
Retainage payable	129,251	163,632	-	-	292,883	-
Other liabilities	-	-	-	14,911	14,911	-
Current portion of long-term liabilities:						
Claims liability	-	-	-	-	-	252,821
Bonds payable	1,005,000	1,672,000	241,490	164,378	3,082,868	-
Compensated absences	79,468	67,063	12,691	-	159,222	25,378
Total current liabilities	1,286,583	2,222,272	307,401	184,267	4,000,523	337,537
Noncurrent:						
Claims liability, net of current portion	-	-	-	-	-	379,232
Advance from other funds	-	-	2,287,210	-	2,287,210	-
Bonds payable, net of current portion	11,573,000	11,538,000	2,813,960	2,092,076	28,017,036	-
OPEB liability	238,999	120,417	31,742	-	391,158	-
Total noncurrent liabilities	11,811,999	11,658,417	5,132,912	2,092,076	30,695,404	379,232
TOTAL LIABILITIES	13,098,582	13,880,689	5,440,313	2,276,343	34,695,927	716,769
<u>NET ASSETS</u>						
Invested in capital assets, net of related debt	13,992,662	34,655,301	1,087,275	-	49,735,238	-
Restricted for debt service	-	-	-	1,038,441	1,038,441	-
Restricted for capital outlay	1,265,239	1,279,759	36,225	-	2,581,223	-
Unrestricted	852,301	2,927,444	(2,375,388)	123,042	1,527,399	411,602
TOTAL NET ASSETS	\$ 16,110,202	\$ 38,862,504	\$ (1,251,888)	\$ 1,161,483	\$ 54,882,301	\$ 411,602

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total	
Operating Revenues:						
Charges for services	\$ 3,241,820	\$ 3,621,192	\$ 1,340,485	\$ -	\$ 8,203,497	\$ 1,336,811
Investment fees	84,800	104,500	-	-	189,300	-
Other revenue	<u>52,589</u>	<u>42,186</u>	<u>120,989</u>	<u>268,973</u>	<u>484,737</u>	<u>2,256</u>
Total Operating Revenues	3,379,209	3,767,878	1,461,474	268,973	8,877,534	1,339,067
Operating Expenses:						
Personal services	1,325,575	1,243,497	538,460	-	3,107,532	737,563
Purchased services	213,935	195,144	107,294	852	517,225	287,085
Supplies	498,131	817,857	434,388	-	1,750,376	63,038
Minor equipment	25,052	13,534	-	-	38,586	55,229
Depreciation	637,400	1,875,205	146,214	-	2,658,819	-
Other expenses	<u>156,932</u>	<u>196,215</u>	<u>106,022</u>	<u>9,023</u>	<u>468,192</u>	<u>220,269</u>
Total Operating Expenses	<u>2,857,025</u>	<u>4,341,452</u>	<u>1,332,378</u>	<u>9,875</u>	<u>8,540,730</u>	<u>1,363,184</u>
Operating Income (Loss)	522,184	(573,574)	129,096	259,098	336,804	(24,117)
Nonoperating Revenues (Expenses):						
Intergovernmental revenue	-	552,375	-	-	552,375	-
Investment income	44,791	40,204	1,479	59	86,533	-
Interest expense	<u>(447,753)</u>	<u>(702,213)</u>	<u>(149,571)</u>	<u>(134,625)</u>	<u>(1,434,162)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses), Net	<u>(402,962)</u>	<u>(109,634)</u>	<u>(148,092)</u>	<u>(134,566)</u>	<u>(795,254)</u>	<u>-</u>
Change in Net Assets	119,222	(683,208)	(18,996)	124,532	(458,450)	(24,117)
Net Assets at Beginning of Year	<u>15,990,980</u>	<u>39,545,712</u>	<u>(1,232,892)</u>	<u>1,036,951</u>	<u>55,340,751</u>	<u>435,719</u>
Net Assets at End of Year	<u>\$ 16,110,202</u>	<u>\$ 38,862,504</u>	<u>\$ (1,251,888)</u>	<u>\$ 1,161,483</u>	<u>\$ 54,882,301</u>	<u>\$ 411,602</u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total	Internal Service Funds
<u>Cash Flows From Operating Activities:</u>						
Receipts from customers and users for services	\$ 3,389,547	\$ 3,802,793	\$ 1,482,453	\$ 254,099	\$ 8,928,892	\$ 1,350,621
Receipts from customers and users for investment fees	84,800	104,500	-	-	189,300	-
Payments to vendors and contractors	(628,536)	(1,247,099)	(582,582)	(18,515)	(2,476,732)	(381,786)
Payments of employee salaries and benefits	(1,085,199)	(1,121,317)	(510,419)	-	(2,716,935)	(868,300)
Receipts for interfund service provided	-	-	84,367	-	84,367	(19,252)
Payments for interfund service provided	1,209,333	1,957,890	-	(14,651)	3,152,572	(81,283)
Net Cash Provided By Operating Activities	2,969,945	3,496,767	473,819	220,933	7,161,464	-
<u>Cash Flows From Noncapital Financing Activities:</u>						
Intergovernmental subsidy	-	1,343,024	-	-	1,343,024	-
Net Cash Provided By Noncapital Financing Activities	-	1,343,024	-	-	1,343,024	-
<u>Cash Flows From Capital and Related Financing Activities:</u>						
Proceeds from issuance of bonds and notes	2,200,000	250,000	-	-	2,450,000	-
Capital lease payments received	-	-	-	47,101	47,101	-
Purchases of capital assets and land for investment	(3,647,827)	(2,335,999)	(65,820)	(6,308)	(6,055,954)	-
Principal payments on bonds and notes	(725,000)	(1,593,000)	(243,490)	(127,101)	(2,688,591)	-
Interest expense	(447,753)	(702,213)	(149,571)	(134,625)	(1,434,162)	-
Net Cash Provided By (Used For) Capital and Related Financing Activities	(2,620,580)	(4,381,212)	(458,881)	(220,933)	(7,681,606)	-
<u>Cash Flows From Investing Activities:</u>						
Investment income	44,791	40,204	1,479	59	86,533	-
Net Cash Provided By investing Activities	44,791	40,204	1,479	59	86,533	-
Net Change in Cash and Short-Term Investments	394,156	498,783	16,417	59	909,415	-
Cash and Short Term Investments, Beginning of Year	831,649	731,755	20,584	6,331	1,590,319	-
Cash and Short Term Investments, End of Year	\$ 1,225,805	\$ 1,230,538	\$ 37,001	\$ 6,390	\$ 2,499,734	\$ -
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>						
Operating income (loss)	\$ 522,184	\$ (573,574)	\$ 129,096	\$ 259,098	\$ 336,804	\$ (24,117)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	637,400	1,875,205	146,214	-	2,658,819	-
Changes in assets and liabilities:						
User fees	95,156	139,423	20,949	-	255,528	-
Inventory	7,147	(19,535)	1,960	-	(10,428)	4,045
Departmental and other receivables	-	-	-	-	-	11,558
Interfund receivables and payables	1,352,100	2,136,556	133,267	(14,651)	3,607,272	(100,535)
Accounts payable	(2,699)	(227,070)	14,292	(359)	(215,836)	33,290
Accrued liabilities	591	1,427	529	-	2,547	74,269
Retainage payable	118,281	43,582	-	(8,280)	153,583	-
Compensated absences	786	336	(4,230)	-	(3,108)	1,490
Other liabilities	-	-	-	(14,875)	(14,875)	-
OPEB liability	238,999	120,417	31,742	-	391,158	-
Net Cash Provided By (Used For) Operating Activities	\$ 2,969,945	\$ 3,496,767	\$ 473,819	\$ 220,933	\$ 7,161,464	\$ -

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

	Agency Funds	Private Purpose Trust Funds
<u>ASSETS</u>		
Cash and short term investments	\$ 317,102	\$ -
Due from other funds	<u>767,353</u>	<u>620,091</u>
Total Assets	1,084,455	620,091
<u>LIABILITIES AND NET ASSETS</u>		
Other liabilities	<u>1,084,455</u>	<u>-</u>
Total Liabilities	<u>1,084,455</u>	<u>-</u>
<u>NET ASSETS</u>		
Total Net Assets Held in Trust	\$ <u><u>-</u></u>	\$ <u><u>620,091</u></u>

See notes to financial statements.

CITY OF DOVER, NEW HAMPSHIRE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007

	Private Purpose <u>Trust Funds</u>
Additions:	
Contributions	\$ 3,889
Investment income	<u>57,151</u>
Total additions	61,040
Deductions:	
Disbursements by agent	<u>11,618</u>
Total deductions	<u>11,618</u>
Net increase	49,422
Net assets:	
Beginning of year	<u>570,669</u>
End of year	<u><u>\$ 620,091</u></u>

See notes to financial statements.

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CITY OF DOVER, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Dover, New Hampshire (the City) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The government is a municipal corporation governed by an elected mayor, eight-member council and an appointed City Manager. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable. In fiscal year 2007, it was determined that no entities met the required GASB-39 criteria of component units.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual govern-

mental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

- The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

The government reports the following major proprietary funds:

- The *Water Fund* accounts for the operation of a water treatment plant, City wells and water system.
- The *Sewer Fund* accounts for the operation of a sewer treatment plant, pumping station and sewer lines.
- The *Arena Fund* accounts for the operations of the Dover Ice Arena.
- The *Dover Business and Industrial Development Authority Fund* (DBIDA) accounts for the economic development projects of the DBIDA, which operates under RSA 162-G.

Additionally, the government reports the following fund type:

- Internal service funds account for data processing, fleet management services, and workers compensation administration and claims, provided to other departments on the cost reimbursement basis.

Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds. Agency funds, however, only report assets and liabilities, and thus have no measurement focus. The government also reports the following fiduciary funds:

- The private-purpose trust fund is used to account for trust arrangements, under which principal and investment income

exclusively benefit individuals, private organizations, or other governments.

Agency funds account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others. Agency funds held by the City include the Chamber of Commerce, Performance Bonds, Department Agency, and School Agency.

As a general rule and per the City's policy, the effect of interfund activity has been eliminated from the government-wide financial statements. The reimbursements from other funds included in internal service funds revenue are eliminated on the government-wide level to remove the "doubling up" effect of internal service activity.

D. *Cash and Investments*

The government's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The New Hampshire Public Deposit Investment Pool (NHPDIP) operates in accordance with appropriate state laws and regulations and is under the control of the New Hampshire Banking Commission. The reported value of the pool is the same as the fair value of the pool shares. Participation units of the NHPDIP are considered short-term for financial presentation purposes.

Investments are considered holdings of greater than three months and are reported at fair value.

City Funds

Under New Hampshire RSA 48:16, the City Treasurer may invest excess funds which are not immediately needed for the purpose of expenditure, in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the City Council shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

Trust Funds

Under New Hampshire RSA 34:5, capital reserve funds of the City shall be invested only by deposit in some savings bank or in the savings department of a national bank or trust company, or in the shares of a cooperative bank, building and loan association, or federal savings and loan association, in this state or in bonds, notes or other obligations of the United

States government, in bonds or notes of this state, in such stocks and bonds as are legal for investment by New Hampshire savings banks, or in participation units in the public deposit investment pool established pursuant to RSA 383:22 by the trustees of the trust funds.

Under New Hampshire RSA 31:27, the city trustees of trust funds may establish, maintain and operate one or more common trust funds, in which may be combined money and property belonging to the various trusts in their care, for the purpose of facilitating investments, providing diversification and obtaining reasonable income; provided however, that said common trust funds shall be limited to the investments authorized in RSA 31:25; provided further, that not more than \$10,000 or more than 10 percent of the fund whichever is greater of any town or city common trust funds shall be invested under RSA 31:25 in the obligations of any one corporation or organization, excepting deposits in any federally or state-chartered bank or association authorized to engage in a banking business in this state, in credit unions in this state, or in obligations of the United States and of the state of New Hampshire and its subdivisions; or in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in shares of open-ended mutual funds selected by the trustees for investment under RSA 31:25.

Under New Hampshire RSA 31:25, at least yearly, the trustees of trust funds shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes. The significant sections of that policy are disclosed in Note 3.

E. *Interfund Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

F. *Inventories*

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Building improvements	40
Building systems	15 - 24
Infrastructure	20 - 60
Water/sewer infrastructure	24 - 50
Vehicles	8 - 15
Office equipment	7 - 20
Computer equipment	5 - 10
Land improvements	15 - 20
Machinery and equipment	5 - 15
Books and collections	5

H. Compensated Absences

Depending on the union, employees may be compensated for unused amounts of sick leave earned prior to June 30, 1993, ranging from 25% to 75% of accumulated time. Effective June 30, 1993, all non-education employees are awarded sick leave at a rate of 10 days per year, which lapses at year end. Employees earn vacation leave as they provide services. Employees may carry over earned vacation days with some limitations (usually sixty days) and use compensatory time for unused balances upon termination with some limitations, usually 30 days.

All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have

matured, for example, as a result of employee resignations and retirements.

During fiscal year 2002, the City began funding the current vested portion of vacation and sick time for non-enterprise fund employees by establishing a capital reserve fund. The balance in the fund as of June 30, 2007 was \$488,514. The vested portion attributable to enterprise fund employees has been recorded in the respective fund.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

The City Manager submits his proposed operating budget to the City Council on or before April 1. The operating budget includes proposed expenditures and the means of financing them. Annual budgets are adopted for the general fund, various special revenue funds, and proprietary funds. Special revenue funds with annually adopted budgets are: parking activity, residential solid waste, library fines, tuition programs, school alternative education, school facilities, community development fund, police DHA fund, school cafeteria, police DOJ fund, school federal aid fund, and school special programs. Proprietary funds with annually

adopted budgets are water, sewer, and arena funds. Public hearings are conducted to obtain comments on the proposed budget. The final budget must be adopted by June 15, but not earlier than seven days after a public hearing. A separate public hearing is held on the portion of the budget submitted by the School Board.

The City Manager may transfer budgeted amounts within each non-school Department without City Council approval. The City Manager may transfer budgeted amounts between non-school Departments only after obtaining approval from the Council. The head of the School Department may transfer budgeted amounts within the Department as needed. The City Council may, after public hearings, appropriate additional amounts. The City Council must designate the source of such funds except for emergency situations. All unencumbered appropriations, except those for capital expenditures or dedicated funds, lapse at the end of the fiscal year. Appropriation for capital expenditures remains in force for three years or until their purpose has been accomplished or abandoned.

B. Budgetary Basis

The General Fund final appropriation appearing on Budget and Actual page of the fund financial statements represents the final amended budget after all transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general and special revenue funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund and various special revenue funds are presented in accordance with budgetary accounting principles to provide a meaningful comparison with budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

<u>General Fund</u>	<u>Revenues and other financing sources</u>	<u>Expenditures and other financing uses</u>	<u>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</u>
Revenues/Expenditures (GAAP basis)	\$ 74,158,198	\$ 71,951,289	\$ 2,206,909
Other financing sources/ uses (GAAP basis)	95,961	1,151,029	(1,055,068)
Subtotal (GAAP basis)	<u>74,254,159</u>	<u>73,102,318</u>	<u>1,151,841</u>
Adjust property tax revenue to accrual basis	136,997	-	136,997
Reverse beginning of year appropriation carryforwards from expenditures	-	(803,171)	803,171
Reverse on-behalf payments	(488,087)	(488,087)	-
Add end of year appro- priation carryforwards to expenditures	-	808,589	(808,589)
Use of fund balance	<u>1,175,000</u>	<u>-</u>	<u>1,175,000</u>
Budgetary Basis	<u>\$ 75,078,069</u>	<u>\$ 72,619,649</u>	<u>\$ 2,458,420</u>

D. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following areas:

General Fund:

City Council	\$ (79)
Police	(3,259)
Fire and Rescue	(12,274)
Debt service	(3,669)

Nonmajor Governmental Funds:

Special Revenue Funds:

Parking Activity	\$ (6,415)
McConnell Center	(16,186)
School Cafeteria	(71,109)
Police DOJ Fund	(55,234)

Internal Service Funds:

Fleet Maintenance	\$ (19,050)
Workers' Compensation	(54,704)

E. Deficit Fund Equity

The individual projects within the following funds had deficits as of June 30, 2007:

Nonmajor Governmental Funds:

Special Revenue Funds:

Community Development	\$ (66,365) (A)
Police DOJ	(19,344) (A)
Homeland Security	(74,723) (A)
Police DHA	(14) (A)
Police DOT	(15,153) (A)
Police Tobacco	(1,948) (A)
Dover Main Street	(2,374) (A)
McConnell Center	(75,796) (B)

Capital Project Fund:

CIP FY00	\$ (30,947) (B)
Cocheco River Dredge	(1,332,639) (C)

The following fund had a deficit as of June 30, 2007:

Proprietary Fund:

Arena Fund	\$ (1,251,888) (B)
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Internal Service Fund:

Workers' Compensation	\$ (20,123) (B)
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- (A) The deficits in these funds will be eliminated through the future grant reimbursements.
- (B) The deficits in these funds will be eliminated through future departmental revenues and transfers from other funds.
- (C) The deficit will be funded by future grant reimbursements and fees charged for placement of dredge spoils.

3. Cash and Investments

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to

recover the value of its investment or collateral securities that are in the possession of another party.

City Funds

The City's Investment Policy requires the use of security broker/dealers be based on creditworthiness (a minimum capital requirement of \$100,000,000 and at least five years of operation). Permitted investment per state law and the City's policy are US Government Obligations, New Hampshire Public Deposit Investment Pool (NHPDIP), Certificates of Deposits in New Hampshire banks and overnight Repurchase Agreements whose underlying securities consist of US Government Obligations, US Government Agency Obligations or State of NH Obligations. Financial institutions where funds are kept on deposit, in CDs or Repurchase Agreements must meet the following criteria:

- Minimum total assets of \$100 million.
- Minimum of an average rating by a bank rating service.
- Minimum ratio of equity capital to total assets of 5%.
- Maximum ratio of non-performing assets to equity of 20%.

Full collateralization is required on non-negotiable CDs or overnight Repurchase Agreements. Repurchase Agreement collateral must consist of US Government Obligations, US Government Agency Obligations or State of NH Obligations.

Maximum maturity for an investment of City funds is six months. As of June 30, 2007, the City's bank balance of \$50,186,274 was fully insured and collateralized, including \$7,107,400 in repurchase agreements held in underlying securities by the investment's counterparty, and in the name of the City.

Trust Funds

The Investment Policy of the City's Board of Trustees of the Trust Funds permits deposits and investments in:

- Deposits in savings banks or the savings department of a national bank or trust company in the state of New Hampshire or in the NHPDIP.
- Shares of a building and loan association or cooperative bank, incorporated and doing business under New Hampshire law.
- Shares of any federal savings and loan association, located and doing business in New Hampshire.
- Certificates of deposits in New Hampshire.
- Bonds, notes or other obligations of the US Government or the state, county, town, city, school district or water and sewer district.

- Stocks and bonds as are legal for investment by NH savings banks.
- Shares of mutual funds or money market mutual funds.

Investment depositories must meet the following criteria:

- Minimum total assets of \$100 million.
- Minimum ratio of equity capital to total assets of 6%.
- Maximum ratio of non-performing assets to equity of 35%.
- Minimum of an average rating by a bank rating service.

The \$2,385,143 investments of the Trust Funds are all mutual funds, which are exempt from the rating and duration of time disclosure requirements.

B. Credit Risk

The City's Investment Policy and the Board of Trustees Investment Policy minimize credit risk by limiting investments to the safest types of securities as listed above, pre-qualifying institutions and diversifying the portfolio. In addition, they do not permit investments made with leveraging techniques, margin purchases or trading involving short selling.

The Board of Trustees' Investment Policy also addresses specific ratio analysis and financial parameters for investments in stocks, bonds and mutual funds. During fiscal year 2007 the trust investments were held in mutual funds. The mutual fund investment criteria are listed below:

- The fund is a no load, open-ended fund, and does not charge 12b-1 expenses.
- The fund is qualified for sale in the State of New Hampshire with the Securities Regulations Bureau of the NH Secretary of State.
- The fund is registered with the SEC.
- A prospectus is available to the trustees outlining the investment philosophy of the fund and the major holdings in the fund.
- The fund has a Morningstar rating of four stars or better.
- The fund can invest in equities or bonds or both.
- Price/Earnings & Price/Book ratios should be reasonable within the given market conditions and sectors.
- If the fund invests mainly in fixed income securities or is mixed with equities, the average credit quality of the fixed income securities should be A or higher.
- No investment shall be made into high yield bond funds.

C. Concentration of Credit Risk

City Funds

The City's Investment Policy limits its exposure to concentration credit risk by limiting the types of investment securities that it holds to US Government Obligations and by splitting its short term deposits between financial institutions that fully collateralize them and the NHPDIP that also collateralizes the deposits and fully insures them.

Trust Funds

It is the policy of the Trustees that common investments shall be diversified to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, industry or specific issuer. The Trustees' concentration of credit risk policy is as follows:

- No more than 10% of the portfolio (cost basis including cash and investments) shall be invested in the obligations of any one entity, corporation or organization exclusive of U.S. government or agency obligations. A mutual fund will be considered one entity.
- No more than 20% (cost basis) shall be invested in any one sector.
- About 10% of the portfolio should be kept in more liquid money market accounts.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City Funds

The City minimizes the risk that the market value of securities will fall due to changes in general interest rates by structuring the portfolio so securities mature to meet the cash requirements for on-going operations thus avoiding the need to sell securities on the open market prior to maturity. The policy also provides for investing primarily in shorter-term securities, including the local government investment pool.

Trust Funds

The Trust recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary loss of liquidity. Portfolio diversification is to be employed as a way to control risk. The Treasurer is expected to use prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the specific issuer. The Treasurer shall review and, if appropriate, proceed to liquidate any securities having comparable credit risks.

Information about the sensitivity of the fair values of the Trust's investments to market interest rate fluctuations is not provided, since all investments are held in mutual funds.

E. Foreign Currency Risk

Specific investment in foreign securities is not permitted by either the City or Board of Trustees Investment Policies. Mutual Funds held by the Board of Trustees may have insignificant holdings in foreign securities.

The City and Board's policies also outline other specific investment criteria and are available for review at www.ci.dover.nh.us.

4. Taxes Receivable

The City bills property taxes semi-annually, in October and April of the following year. Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

Property taxes are due no earlier than December 1 and June 1, of the following year and must be due at least 30 days after bills are mailed. At the time of the tax lien, which the City usually places within 60 to 90 days after the second due date, a lien is recorded on the property at the Registry of Deeds. If the property taxes are not paid (redeemed) within two years and one day of the tax lien date, the property could be conveyed to the City by deed and subsequently sold at public auction or sealed bid.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay. Prior to fiscal year 1996, the City was funding all abatement out of the current year appropriation regardless of the levy of the tax. During fiscal year 1996, the City began matching property tax abatements for individual levy years, with the tax revenue earned by the individual levy years.

Taxes receivable at June 30, 2007 are comprised of (in thousands):

Unredeemed taxes:	
Levy of fiscal year 2007	\$ 2,041
Levy of fiscal year 2006	396
Levy of fiscal year 2005	126
Allowance for abatements	<u>(134)</u>
Subtotal	2,429
Other taxes:	
Other miscellaneous taxes	<u>11</u>
Total	<u>\$ 2,440</u>

5. Intergovernmental Receivables

Intergovernmental receivables of \$60,732 reported in the general fund represents tuition revenue received from area school districts in July and August 2007. The balance of \$844,748 reported in the nonmajor governmental funds represents amounts to be received on various expenditure driven grants.

The New Hampshire Department of Environmental Services annually reimburses the City for a portion of the principal and interest payments on Sanitary Sewer Fund bonds. The reimbursement is based upon the amount of the State's participation in the original sewer project. The amount due from the State in future years is as follows:

Fiscal Year Ended June 30	Reimbursement For		
	Principal	Interest	Total
2008	\$ 835,867	\$ 266,706	\$ 1,102,573
2009	835,833	210,499	1,046,332
2010	835,833	154,097	989,930
2011	835,833	97,500	933,333
2012	828,374	40,887	869,261
Thereafter	<u>33,921</u>	<u>5,102</u>	<u>39,023</u>
Total	<u>\$ 4,205,661</u>	<u>\$ 774,791</u>	<u>\$ 4,980,452</u>

In the Sewer Enterprise fund the City has accrued \$129,348 of interest due in fiscal year 2007, along with all principal as Intergovernmental Receivables at June 30, 2007.

6. Loans Receivable

Loans receivable of \$455,894 in nonmajor governmental funds represent the uncollected balance of community development loans.

7. Interfund Fund Receivables, Payables, and Transfers

The City maintains self-balancing funds; however, most cash transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. The amount payable to the general fund from Arena relates to cash flow hardship, and is not scheduled to be collected in the subsequent year. The following is an analysis of the June 30, 2007 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Advance To Other Funds</u>	<u>Advance From Other Funds</u>
General Fund	\$ -	\$ 35,128,417	\$ 2,287,210	\$ -
Nonmajor Gov't'l Funds	26,450,982	3,231,485	-	-
Major Proprietary Funds:				
Enterprise Funds:				
Water	4,779,514	-	-	-
Sewer	4,729,928	-	-	-
Arena	313	-	-	2,287,210
DBIDA	12,948	-	-	-
Nonmajor Proprietary Funds:				
Internal Service Funds	998,773	-	-	-
Fiduciary Funds:				
Agency Funds	767,353	-	-	-
Private Purpose Funds	620,091	-	-	-
Total	<u>\$ 38,359,902</u>	<u>\$ 38,359,902</u>	<u>\$ 2,287,210</u>	<u>\$ 2,287,210</u>

Interfund transfers are used to move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

8. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows
(reported in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 65,828	\$ 11,914	\$ -	\$ 77,742
Machinery, equipment, and furnishings	22,680	948	-	23,628
Infrastructure	51,984	1,026	-	53,010
Total capital assets, being depreciated	140,492	13,888	-	154,380
Less accumulated depreciation for:				
Buildings and improvements	(22,610)	(1,537)	-	(24,147)
Machinery, equipment, and furnishings	(12,335)	(1,390)	-	(13,725)
Infrastructure	(33,439)	(1,733)	-	(35,172)
Total accumulated depreciation	(68,384)	(4,660)	-	(73,044)
Total capital assets, being depreciated, net	72,108	9,228	-	81,336
Capital assets, not being depreciated:				
Land	11,546	1,794	(34)	13,306
Construction in progress	17,683	15,625	(14,199)	19,109
Total capital assets, not being depreciated	29,229	17,419	(14,233)	32,415
Governmental activities capital assets, net	<u>\$ 101,337</u>	<u>\$ 26,647</u>	<u>\$ (14,233)</u>	<u>\$ 113,751</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 39,903	\$ 510	\$ -	\$ 40,413
Machinery, equipment, and furnishings	7,399	2,258	-	9,657
Infrastructure	48,714	1,782	-	50,496
Total capital assets, being depreciated	96,016	4,550	-	100,566
Less accumulated depreciation for:				
Buildings and improvements	(16,027)	(1,179)	-	(17,206)
Machinery, equipment, and furnishings	(4,446)	(473)	-	(4,919)
Infrastructure	(16,717)	(1,007)	-	(17,724)
Total accumulated depreciation	(37,190)	(2,659)	-	(39,849)
Total capital assets, being depreciated, net	58,826	1,891	-	60,717
Capital assets, not being depreciated:				
Land	2,037	-	-	2,037
Construction in progress	3,781	6,004	(4,484)	5,301
Total capital assets, not being depreciated	5,818	6,004	(4,484)	7,338
Business-type activities capital assets, net	<u>\$ 64,644</u>	<u>\$ 7,895</u>	<u>\$ (4,484)</u>	<u>\$ 68,055</u>

Depreciation expense was charged to functions of the City as follows (in thousands):

Governmental Activities:

General government	\$ 56
Public safety	327
Public works	2,393
Education	1,520
Culture and recreation	361
Human services	3

Total depreciation expense - governmental activities	\$ <u>4,660</u>
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Business-Type Activities:

Water	\$ 638
Sewer	1,875
Arena	146

Total depreciation expense - business-type activities	\$ <u>2,659</u>
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Construction Commitments:

Active construction in progress at June 30, 2007 and commitments outstanding consist of the following:

<u>Government Activities</u>	<u>Construction in Progress</u>	<u>Remaining Commitments</u>
Tolend Rd - Remedial Action Trust	\$ 5,229,713	\$ 7,409,779
PW - Streets	3,458,968	2,447,159
PW - cocheco Dredge Cell and Drainage	3,408,726	649,857
Landfill Closure, BioRemediation, Bellamy Plume	2,989,615	11,068
Woodman Park School	1,936,137	6,936,586
Garrison and Horne Schools	391,463	98,809
McConnell Bldg Improvements	368,434	38,867
TIP - Sidewalks	297,129	7,045
City Hall Improvements	269,472	41,115
TIP - cocheco River Bridge	139,536	133,708
PW - 6th/Venture Signalization	132,770	2,350
TIP - Signalization	102,669	5
PW - Broadway Drainage	94,797	10,065
Middle and High Schools	74,850	36,500
Recreation	43,411	14,541
TIP - Multi use Trail/Bellamy Park	39,760	11,342
PW - Drainage System and Demolish Old Facility	35,252	1,943
TIP - Downtown Transit Loop	30,504	1,600
General Building Improvements	27,620	292,379
PW - Storm Water and Local Share State TIP	22,562	837
Fire & Rescue - Fire Station North End	7,243	146,250
TIP - Parking Lot Improvements	5,390	220
TIP - Shoulder Improvements	3,635	184
Total Governmental Activities	\$ <u>19,109,656</u>	\$ <u>18,292,209</u>

(continued)

<u>Business-Type Activities</u>	<u>Construction in Progress</u>	<u>Remaining Commitments</u>
Water - Bouchard Well & Treatment Plant	\$ 3,649,997	\$ 390,277
Sewer - Varney Br Forcemain Redesign	1,217,782	23,314
Sewer - Pump Station Upgrade	137,571	3,647
Sewer - Pump Station Equip Replacement	116,117	82,252
Sewer - WWTP	95,479	15,334
DBIDA Enterprise Park and Lease Project 2	20,304	100
Sewer - Berry Brook Upgrade	19,913	1,205
Sewer - Inflow & Infiltration Study	17,890	679,158
Sewer - Various Streets	10,382	74,240
Water Main - Silver St., Dover Point, Fourth St.	9,542	5,800
Sewer - PW Facility and SCADA	1,653	2,817
Water Main - Broadway Area	1,592	825
Water Meter Replacement	1,106	6,469
Water Exploration	1,000	70,071
Water share - PW Facility and SCADA	568	7,612
Water Main - Atlantic/Gulf Rd	553	12,000
Total Business Type Activities	<u>\$ 5,301,449</u>	<u>\$ 1,375,121</u>

9. Accounts Payable

Accounts payable represents fiscal year 2007 invoices paid in the subsequent fiscal year.

10. Accrued Liabilities

Accrued liabilities in the general fund represents salaries earned but unpaid to City and School employees at year-end.

11. Deferred Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The balance of the General Fund deferred revenues account is equal to the sum of all delinquent taxes at June 30, 2007 less property and unredeemed tax collections for the subsequent 60 days.

12. Note Payable

The following summarized activity in governmental bond anticipation notes payable in fiscal year 2007:

	Balance Beginning of Year	New Issues	Maturities	Balance End of Year
Cocheco River Dredge	\$ 400,000	\$ -	\$ (400,000)	\$ -
Total	\$ 400,000	\$ -	\$ (400,000)	\$ -

13. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the City for various municipal projects are approved by City Council and repaid with property taxes recorded in the General Fund and user fees recorded in Enterprise Funds. Compensated absences are repaid from the funds that the costs relate to, mostly general fund, and also water, sewer, arena, internal service, and other special revenue funds.

B. General Obligation Bonds and Loans

The City's general obligation bonds and loans are used to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and loans have been issued for both governmental and business-type activities. The City has not issued any revenue bonds. All bonds and loans outstanding were used in calculating the net assets invested in capital assets net of related debt. General obligation bonds and loans currently outstanding are as follows:

<u>Description</u>	<u>Original Issue Amount</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Balance</u>
Bonds Payable:				
WWTP-State guaranteed 1991	\$ 10,500,000	6.6983%	07/15/11	\$ 2,625,000
WWTP-State guaranteed 1991	7,300,000	6.5746%	01/15/12	1,825,000
WWTP-State guaranteed 1992	450,000	5.5966%	01/15/12	100,000
Public improvements 1993	1,188,338	5.4153%	08/15/08	160,000
Public improvements 1994	3,043,000	5.6100%	08/15/09	525,000
Public improvements 1995	3,356,711	5.3259%	08/15/10	820,000
Public improvements 1996	3,885,092	5.6554%	08/15/11	990,000
Energy conservation 1996	875,055	5.4059%	01/15/12	110,450
Public improvements 1997	1,002,327	4.8400%	08/15/12	275,000
Public improvements 1999	4,137,500	4.1900%	01/15/13	1,650,000
Public improvements 1999	2,179,901	5.5100%	01/15/15	1,130,000
New Middle School 1999	15,741,027	5.5800%	01/15/20	8,156,942
Public improvements 2001	22,991,400	4.4506%	06/15/21	14,120,000
Public improvements 2002	2,240,600	4.2300%	06/15/22	1,520,000
Public improvements 2003	14,280,000	3.1668%	06/15/24	10,735,000
Public improvements 2004	9,816,000	4.1148%	06/15/25	8,475,000
Public improvements 2005	10,740,000	3.8405%	06/15/26	9,965,000
Public improvements 2006	22,348,000	4.2313%	06/15/27	22,065,000
Public improvements 2007	20,646,000	4.5000%	06/15/27	20,646,000
Total bonds payable				105,893,392
Other Long-Term Debt:				
State revolving loan -				
Toland landfill	1,271,357	3.5625%	09/01/13	593,300
BFA Loan	2,000,000	6.5000%	03/02/26	1,936,454
Total Other Debt Outstanding				2,529,754
Total Long-Term Debt				\$ 108,423,146

C. Future Debt Service

The annual principal and interest payments to retire all general obligation long-term debt outstanding as of June 30, 2007 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 6,215,838	\$ 3,350,828	\$ 9,566,666
2009	6,089,954	3,164,934	9,254,888
2010	5,917,359	2,994,951	8,912,310
2011	5,685,756	2,835,126	8,520,882
2012	5,468,702	2,684,965	8,153,667
2013 - 2017	23,898,750	11,170,852	35,069,602
2018 - 2022	15,651,883	6,287,378	21,939,261
20232 - 2027	8,395,000	1,058,794	9,453,794
Total	\$ 77,323,242	\$ 33,547,828	\$ 110,871,070

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 3,082,868	\$ 1,422,195	\$ 4,505,063
2009	3,021,830	1,271,866	4,293,696
2010	3,015,737	1,126,853	4,142,590
2011	2,924,906	983,850	3,908,756
2012	2,704,354	843,493	3,547,847
2013 - 2017	9,651,909	2,805,641	12,457,550
2018 - 2022	4,998,000	959,807	5,957,807
2023 - 2027	1,700,300	213,464	1,913,764
Total	\$ <u>31,099,904</u>	\$ <u>9,627,169</u>	\$ <u>40,727,073</u>

The City's proprietary fund future debt service is partially funded by the state, as described in Note 5. The governmental future debt service relating to school construction is partially funded by the New Hampshire Department of Education School Building Aid, which is annually appropriated by the state.

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2007 are as follows:

<u>Purpose</u>	<u>Amount</u>
Varney Brook Forcemain	\$ 900,000
Enterprise Park Building Pjt	2,000,000
Tolend Rd. Landfill Remedia	5,500,000
Street Recon-Paul/Wallingft	250,000
Water Main - Paul/Wallingft	175,000
Rizzo - Downtown Parking	500,000
Open Sapce Acquisition	1,000,000
TIP Cocheco River Bridge	200
Street Recon - Broadway	200,000
Total	\$ <u>10,525,200</u>

E. Maximum Debt Limit

The City is subject to state law which limits debt outstanding to a percentage (depending on how funds will be used) of its last full state valuation. Debt incurred for state required sewerage systems is not subject to the limit. The following is a summary, by purpose, of the outstanding debt of the City at June 30, 2007 and related limitations. These limits are based on the tax year 2006 base valuations for debt limits of \$2,988,313,185 provided by the State Department of Revenue Administration.

<u>Purpose</u>	Percent of State Assessed <u>Value</u>	<u>Maximum Debt Limit</u>	<u>Applicable Bonds Outstanding at June 30, 2007</u>
Municipal	3%	\$ 89,649,396	\$ 42,989,450
School	7%	209,181,923	31,538,942
Water	10%	298,831,319	12,578,000
DBIDA - IP	0%	4,000,000 *	1,095,000
DBIDA - IB	0%	1,000,000	-
DBIDA - Projects	8%	224,849,680	1,936,454
Not subject to limitation	0%	-	18,285,300
Total			<u>\$ 108,423,146</u>

* Debt limit is set by special legislation.

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2007, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>07/01/06</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>06/30/07</u>	Less Current Portion	Long-Term Portion <u>06/30/07</u>
<u>Governmental Activities</u>						
Claims liability	\$ 558	\$ 74	\$ -	\$ 632	\$ (253)	\$ 379
Bonds and loans payable	63,867	18,196	(4,740)	77,323	(6,216)	71,107
Other:						
Compensated absences	3,054	762	(1,010)	2,806	(152)	2,654
OPEB liability	2,547	2,812	(581)	4,778	(558)	4,220
Liability for hazardous waste-site cleanup	7,414	-	(1,150)	6,264	-	6,264
Totals	<u>\$ 77,440</u>	<u>\$ 21,844</u>	<u>\$ (7,481)</u>	<u>\$ 91,803</u>	<u>\$ (7,179)</u>	<u>\$ 84,624</u>

	Total Balance <u>07/01/06</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>06/30/07</u>	Less Current Portion	Long-Term Portion <u>06/30/07</u>
<u>Business-Type Activities</u>						
Bonds and loans payable	\$ 31,338	\$ 2,450	\$ (2,688)	\$ 31,100	\$ (3,083)	\$ 28,017
Other:						
Compensated absences	162	7	(10)	159	(159)	-
OPEB liability	-	441	(50)	391	-	391
Totals	<u>\$ 31,500</u>	<u>\$ 2,898</u>	<u>\$ (2,698)</u>	<u>\$ 31,650</u>	<u>\$ (3,242)</u>	<u>\$ 28,408</u>

14. Landfill Closure and Postclosure Care Costs

The City owned and operated a 55-acre landfill on Tolend Road from 1960 to 1979. On September 10, 1991, the Environmental Protection Agency issued

a Record of Decision (ROD) on the closure of the site, including the City as a Potentially Responsible Party (PRP). The estimated cost of the original ROD for closure and post closure maintenance was \$34,612,296. The City was responsible for 42.68% of the costs. The City negotiated its preliminary share at \$8,166,666 of the first \$20 million. Thirty-two PRPs made final settlement on all costs related to the closure with EPA. Based on this information, the City established an estimated \$11,016,013 liability for its share of the capping and management of mitigation costs.

The City funded and paid its share of the capping design of \$1,257,357. The City also funded the ongoing project costs over the years with \$2,213,142 in transfers from operational funds, \$2,900,000 from bond authorizations and \$1,237,229 from various sources including state aid, insurance proceeds and a payment from the Town of Madbury.

The City entered negotiations with the EPA and the State of New Hampshire Department of Environmental Services to implement an alternative to the closure capping. The new technique involves an air sparging trench along the down gradient edge of the landfill which will treat contaminated ground water. This alternative carries significant savings versus conventional capping. The City received approval for a pilot program to determine the effectiveness of this method. As a result, the City received a four-year deferral of the capping requirement from EPA.

An Amended Record of Decision (AROD) from EPA was issued on September 30, 2004 to change the closure method with an estimated cost of \$19,393,859, including post closure maintenance. The City's new liability is \$8,663,966 for the alternative closure method using the same cost sharing percentage. Of this total, \$7,625,525 relates to the closure and \$1,038,441 relates to post closure maintenance.

The \$8,663,966 liability is further reduced by \$2,400,000 of available bonded funds reflecting a net liability at June 30, 2007 of \$6,263,966 relating to the AROD. This is a net decrease of \$1,150,000 over the previous estimated liability.

The total current cost of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations.

15. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

16. Reserves of Fund Equity

"Reserves" of fund equity are established to segregate fund balances which are either not available for expenditure in the future or are legally set aside for a specific future use.

The following types of reserves are reported at June 30, 2007:

Reserved for Encumbrances - An account used to segregate that portion of fund balance committed for expenditure of financial resources upon vendor performance.

Reserved for Advances - An account used to segregate a portion of fund balance to indicate that advances to other funds, although a component of assets, do not represent available spendable resources.

Reserved for Other Specific Purposes - Represents the amount of fund balance committed for debt service in subsequent years.

17. Commitments and Contingencies

Outstanding Lawsuits - There are several pending lawsuits in which the City is involved. The City's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

County Deficit – City's property tax assessment is 27% of Strafford County's total assessment. Stafford County had a \$3,523,728 unreserved General Fund Balance deficit on December 31, 2006.

18. Post-Employment Health Care

The City pays toward the cost of health care benefits for certain qualified retirees enrolled at the time of retirement and their eligible dependents (Retiree Group). The City will also pay toward the cost of health care benefits for certain current employees and eligible dependents upon retirement. Normal retirement age for Group I (City employees) is age 60 and for Group II (Police & Fire) is age 45 per the provisions of the New Hampshire Retirement System (NHRS).

Current retirees have their health care benefit cost paid by the City if they retired while enrolled in the City's Group Health Insurance Program and had a minimum of 20 years of continuous creditable service with the City. Current employees are eligible for City cost participation when they retire only if they meet the same enrollment and service criteria and were hired on or before May 30, 2000, depending on the bargaining unit.

Employees who retire from the City under the NHRS and participated in the City's Group Health Insurance Program at the time of retirement, but who are not eligible for any City retiree health care benefit cost coverage may also join the Retiree Group. Coverage will continue for themselves and their eligible dependents at their own expense in accordance with state statute (NH RSA 100-A:50).

The retiree health care benefit cost to the City is lessened by subsidies received by retirees from the NHRS. Health care benefit costs are reduced significantly upon a retiree or their dependents attaining the age of 65, at which time they become eligible for Medicare and are changed to a Medicare supplement plan.

During the past 10 fiscal years, the cost of health care benefits to retirees, less any subsidies paid by the New Hampshire Retirement System and any withholdings from the retirees, was as follows:

<u>Fiscal Year</u>	<u>Net City Cost</u>
2007	\$ 499,660
2006	401,268
2005	334,247
2004	276,543
2003	108,733
2002	66,030
2001	132,639
2000	109,087
1999	90,894
1998	68,117

For the fiscal year ended June 30, 2007, \$488,087 was recorded as revenues and expenditures in the General Fund relative to on-behalf payment received from the state.

The City implemented GASB 45 in FY 06 and began to recognize the cost of providing these benefits when earned. The annual required contribution was \$3,253,325, and the City paid out an estimated total of \$631,175. The resulting liability of \$5,169,002 (unfunded portion for FY 06 and FY 07) is recognized in the Government-wide financial statements.

Actuarial Assumptions and Methods

Measurement Date	June 30, 2006. Liabilities were projected backwards to July 1, 2005 on a "no gain/loss" basis using the June 30, 2006 actuarial liabilities.
Discount Rate	5.0% as of July 1, 2005 and June 30, 2006 based on the City's current rate of return on investments.
Salary Scale	3.0% per year.
Cost Method	Pure Unit Credit.
Amortization	Level dollar amount over thirty years based on an open group.
Mortality	RP-2000 Combined Mortality Table.
Withdrawal Rate	Saranson T-4.

Sample rates are as shown below:

<u>Age</u>	<u>Rate</u>
25	5.3%
30	5.1%
35	4.7%
40	4.2%
45	3.5%
50	2.5%

Retirement Rate Select and ultimate rates as shown below:

<u>Age</u>	<u>General Employees</u>
45 - 60	0.0%
55 - 57	3.5%
58 - 60	7.0%
61	15.0%
62	30.0%
63	15.0%
64 - 66	21.0%
67 - 69	24.0%
70	100%

<u>Age</u>	<u>Police And Fire</u>
45 - 54	20.0%
55 - 59	25.0%
60 - 64	27.0%
65 - 69	25.0%
70	100%

(continued)

Actuarial Assumptions and Methods - Continued

Per Capita Costs 2006 premium rates (under and over age 65) were actuarially converted retiree appropriate costs using the health factors shown below.

<u>Age</u>	<u>Health Factor</u>
<35	64%
35 - 40	77%
40 - 44	93%
45 - 49	105%
50 - 54	121%
55 - 59	147%
60 - 64	177%
65 - 69	93%
70 - 74	104%
75 - 79	117%
80 - 84	128%
85 >	133%

Contribution Contributions were assumed to increase with Health Care Trend Rates.

<u>Health Care Trend Rates</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
	2006	13%	2012	7.5%
	2007	10.0%	2013	7.0%
	2008	9.5%	2014	6.5%
	2009	9.0%	2015	6.0%
	2010	8.5%	2016	5.5%
	2011	8.0%	2017	5.0%
			2018+	4.5%

Health Care Trend Rate for 2006 is based on an average increase across all health plans offered to retirees.

The NHRS medical subsidy was assumed to increase by 8.0% to 2011 and then gradually decrease to 4.5% by 2018.

19. Self-Insurance

The City is a self-insurer of workers' compensation for all City employees, contracting with an insurance carrier for excess liability coverage. Under the terms of its insurance coverage, the City is liable for \$400,000 per incident. The insurer's limit of liability is \$3,000,000. The City does not carry any aggregate insurance. Funding of the workers' compensation internal service fund is through charges levied to the general, special revenue and enterprise funds.

Claims Liability

The following represents changes in the Workers' Compensation claims liability:

	Year Ended <u>June 30, 2007</u>	Year Ended <u>June 30, 2006</u>
Unpaid claims, beginning of fiscal year	\$ 558,480	\$ 504,342
Claims incurred (including IBNRs)	411,850	419,476
Claims paid	<u>(338,277)</u>	<u>(365,338)</u>
Unpaid claims, end of fiscal year	\$ <u>632,053</u>	\$ <u>558,480</u>

The City adopted a policy to maintain 100% funding for an actuarially determined claims liability based on a 65% confidence level. Out of \$632,053 claims liability as of June 30, 2007, \$252,821 is due within one year.

20. Risk Management

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

21. Pension Plan

The City follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, with respect to the employees' retirement funds.

A. Plan Description

The City contributes to the New Hampshire Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the state retirement board. The System provides retirement, disability and death benefits to plan members and beneficiaries. Revised Statutes Annotated 100-A41-a of New Hampshire Law assigns the system the authority to establish and amend benefit provisions of the plan and grant cost-of-living increases. The System issues a publicly available financial report which can be obtained through the New Hampshire Retirement System at 4 Chenell Drive, Concord, New Hampshire 03301-8509.

B. Funding Policy

Plan members are required to contribute to the pension plan based on their annual covered compensation. The rates for member contributions is statutorily defined by Revised Statutes Annotated 100-A:16. The City and State also make annual contributions to the pension plan equal to the amount required. The New Hampshire Retirement System establishes the employers' and the State's contributory rate every two years. The employer pays 65% of the total employer normal contribution rate for teacher, firefighter and police officer members; the State of New Hampshire pays 35%. The employer pays the entire amount for its employee members. The following table reflects the contribution rates (percent of compensation) during fiscal year 2007 for the members, the City and the State.

Group	Contribution Rates		
	Members	City	State
I Teachers	5.00%	3.70%	2.00%
I Employees	5.00%	6.81%	0.00%
II Police	9.30%	9.68%	5.22%
II Fire	9.30%	14.36%	7.73%

Contributions to the System were as follows:

Year Ended	The City	Plan Members	Total
2007	\$ 2,032,898	\$ 2,185,757	\$ 4,218,655
2006	2,006,390	2,156,406	4,162,796
2005	1,713,819	1,919,101	3,632,920
2004	1,655,035	1,865,872	3,520,907
2003	1,133,880	1,786,910	2,920,790
2002	1,020,217	1,609,822	2,630,039
2001	972,117	1,502,795	2,474,912

22. General Fund Undesignated Fund Balances

The City anticipates receiving reimbursement from the federal government for the dredging of the Cocheco River in fiscal year 2009. At the close of fiscal year 2008, the City will re-evaluate the expected timeframe for receipt of the funds, and should delay in funding continue; the City will establish a reserve fund balance of approximately \$ 1,000,000 and reduce the general fund undesignated fund balance accordingly because of the deficit in the Cocheco River Dredge fund (a component of non-major governmental funds).

REQUIRED SUPPLEMENTARY INFORMATION
Other Post Employment Benefits

Schedule of Funding Progress

	<u>TEACHERS</u>	<u>7/1/2005 CITY</u>	<u>TOTAL</u>
1. Actuarial Value of Assets	\$ 0	\$ 0	\$ 0
2. Actuarial Accrued Liability (AAL)	2,578,747	28,173,844	30,752,591
3. Unfunded AAL (2) - (1)	2,578,747	28,173,844	30,752,591
4. Funded Ratio ((1) / (3))	0.00%	0.00%	0.00%
5. Covered Payroll	N/A	8,283,624	N/A
6. UAAL as a % of covered payroll (3) / (5)	N/A	340.11%	N/A

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Combining Financial Statements

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Community Development Fund - To account for grant proceeds received from the U.S. Dept. of Housing and Urban Development under the Community Development Block Grant (CDBG) program and the related program and sub-grant expenditures.
- Housing Rehabilitation Loan Fund - To account for loans given to low and moderate income individuals for the purpose of improving their private dwellings.
- Economic Development Loan Fund - To account for loans given to small business for the purpose of business establishment or expansion.
- Police DOJ Fund - To account for grant proceeds from the U.S. Dept. of Justice for various drug and alcohol awareness and prevention programs.
- Homeland Security Fund - To account for grant proceeds from the U.S. Dept. of Homeland Security for equipment purchases.
- Police DHA Fund - To account for funds received from the Dover Housing Authority for payment toward funding a Police Officer presence at their housing area.
- Police DOT Fund - To account for grant proceeds from the U.S. Dept. of Transportation for various driving safety programs.
- Police Tobacco Fund - To account for grant proceeds for various tobacco awareness and prevention programs.
- Emergency Management Fund - To account for grant proceeds from the U.S. Federal Emergency Management Agency for preparation for major disasters.
- DOI Fund - To account for grant proceeds from the U.S. Dept. of Interior for various programs.
- EPA Fund - To account for grant proceeds from the U.S. Environmental Protection Agency for various programs.

- Youth Training Fund - To account for grant proceeds for various youth job training programs.
- School Cafeteria Fund - To account for cafeteria operations of the Dover School system, including reimbursement from the U.S. Dept. of Education and receipt of U.S. Dept. of Agriculture food commodities.
- School Federal Aid Fund - To account for grants received from the U.S. Dept. of Education for various programs supporting School operations.
- School Special Programs Fund - To account for Healthy Universal Beginnings program and ancillary education programs supported by the Dover School system and funded mainly by non-federal grants.
- Dover Main Street Fund - To account for the expenditures related to the Main Street Program, reimbursed by Dover Main Street, Inc.
- Planning Improvements Fund - To account for the funds received pursuant to Planning Board conditions for approval and held for related offsite improvements or other expenditures.
- Police and Fire Detail - To account for police and fire outside detail activity.
- Parking Activity Fund - To account for revenues of all parking lots, leased parking spaces and metered parking and expenditures of enforcement, lighting and snow removal.
- Police Special Fund - To account for forfeiture proceeds and special investigative expenditures.
- Conservation Fund - To account for the proceeds of current use (land change) penalties and the purchase of land or easements for conservation purposes.
- Residential Solid Waste Fund - To account for revenue from the sale of garbage bags and waste tags to local outlets for resale to the public and the expenditures of residential solid waste pickup and disposal.
- McConnell Center Fund - To account for the operations and maintenance of the McConnell Center facility and revenues from the leasing of space to 501(c)3 organizations and City and State organizations.
- Recreation Programs Fund - To account for the revenue and expenditures of self-supporting recreational programs.
- Recreation Field Maintenance Fund - To account for 10% of the proceeds of the sale of the City gravel for use to maintain recreation fields.

- Library Fines Fund - To account for revenue assessed on late return of books for use to purchase books, periodicals, etc. for the Public Library.
- Tuition Programs Fund - To account for the revenue and expenditures for Dover School supported Dover Adult Learning Center and Summer Sessions.
- Vocational Center Fund - To account for revenues and expenditures of minor programs of the Dover High School's Regional Vocational Education Center.
- School Alternative Education Fund - To account for the revenues and expenditures of the Alternative Education Center of the Dover High School.
- School Facilities Fund - To account for gate receipts used toward the cost of facility maintenance and upgrades.
- Other Special Revenue Funds - To account for revenues and expenditures associated with various special revenue funds, formally classified as trusts under the "Pre-GASB 34" reporting model.

CAPITAL PROJECT FUNDS

- CIP FY08 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2008 of the Capital Improvements Program.
- CIP FY07 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2007 of the Capital Improvements Program.
- CIP FY06 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2006 of the Capital Improvements Program.
- CIP FY05 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2005 of the Capital Improvements Program.
- CIP FY04 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2004 of the Capital Improvements Program.

- CIP FY03 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2003 of the Capital Improvements Program.
- CIP FY02 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2002 of the Capital Improvements Program.
- CIP FY01 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2001 of the Capital Improvements Program.
- CIP FY00 - To account for the revenue from bond and loan proceeds, capital reserve transfers and federal and state grant funding and the related expenditures for authorized projects contained within Fiscal Year 2000 of the Capital Improvements Program.
- Tolend Road Landfill Closure - To account for the revenue from bond and loan proceeds, insurance proceeds, and federal and state grant funding and the related expenditures for the design and construction costs of the closure of a landfill containing hazardous waste.
- Cocheco River Dredge - To account for the revenue from bond anticipation note proceeds and revenue from the placement of dredge spoils and the related expenditures for the design, construction and closure costs of a dredge spoils cell for the Cocheco River.
- Recreation Field Construction - To account for the revenue from the sale of gravel and the related expenditures for authorized recreation or other qualified projects.

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Balance Sheet
June 30, 2007**

	<u>Special Revenue Funds</u>			
	Community Development <u>Fund</u>	Housing Rehab <u>Loan Fund</u>	Economic Development <u>Loan Fund</u>	Police DOJ <u>Fund</u>
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	-	-	-
Intergovernmental receivables	134,589	-	-	10,000
Loans receivable	-	175,619	280,275	-
Due from other funds	-	140,537	116,816	-
Inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>134,589</u>	\$ <u>316,156</u>	\$ <u>397,091</u>	\$ <u>10,000</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,916	\$ 517	\$ 180	\$ 13
Accrued liabilities	2,272	-	-	6,889
Retainage payable	7,897	-	-	-
Deferred revenue	-	175,619	280,275	-
Due to other funds	188,869	-	-	22,442
Compensated absences	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	200,954	176,136	280,455	29,344
Fund Balances:				
Reserved for encumbrances	57,602	14,249	-	450
Reserved for inventory	-	-	-	-
Reserved for expenditures	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	(123,967)	125,771	116,636	(19,794)
Capital projects fund	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>(66,365)</u>	<u>140,020</u>	<u>116,636</u>	<u>(19,344)</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ <u>134,589</u>	\$ <u>316,156</u>	\$ <u>397,091</u>	\$ <u>10,000</u>

Special Revenue Funds

Homeland Security Fund	Police DHA Fund	Police DOT Fund	Police Tobacco Fund	Emergency Management Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	22,500	-	-	12,119
-	-	-	-	-
-	-	-	-	117,506
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>22,500</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>129,625</u>
\$ 501	\$ -	\$ 24	\$ 248	\$ 287
-	1,285	837	186	-
-	-	-	-	-
-	-	-	-	-
74,222	21,229	14,292	1,514	1,286
-	-	-	-	-
<u>74,723</u>	<u>22,514</u>	<u>15,153</u>	<u>1,948</u>	<u>1,573</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(74,723)	(14)	(15,153)	(1,948)	128,052
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(74,723)</u>	<u>(14)</u>	<u>(15,153)</u>	<u>(1,948)</u>	<u>128,052</u>
\$ <u>-</u>	\$ <u>22,500</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>129,625</u>

(continued)

(continued)

	Special Revenue Funds			
	DOI Fund	EPA Fund	Youth Training Fund	School Cafeteria Fund
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	-	-	-
Intergovernmental receivables	-	14,486	-	22,220
Loans receivable	-	-	-	-
Due from other funds	8,527	660	-	60,633
Inventory	-	-	-	16,226
	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,226</u>
Total Assets	\$ <u>8,527</u>	\$ <u>15,146</u>	\$ <u>-</u>	\$ <u>99,079</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
Compensated absences	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	-	-	-
Fund Balances:				
Reserved for encumbrances	-	-	-	-
Reserved for inventory	-	-	-	16,226
Reserved for expenditures	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	8,527	15,146	-	82,853
Capital projects fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>8,527</u>	<u>15,146</u>	<u>-</u>	<u>99,079</u>
Total Liabilities and Fund Balances	\$ <u>8,527</u>	\$ <u>15,146</u>	\$ <u>-</u>	\$ <u>99,079</u>

Special Revenue Funds

School Federal Aid Fund	School Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	7,881	-	-	2,000
567,136	45,498	-	-	-	-
-	-	-	-	-	-
-	-	5,000	199,101	33,690	100,757
-	-	-	-	-	-
<u>\$ 567,136</u>	<u>\$ 45,498</u>	<u>\$ 12,881</u>	<u>\$ 199,101</u>	<u>\$ 33,690</u>	<u>\$ 102,757</u>
\$ -	\$ -	\$ -	\$ 1,321	\$ 296	\$ 1,387
-	-	952	-	5,861	3,609
-	-	-	-	-	-
-	-	-	-	-	-
489,427	39,643	14,303	-	-	-
-	-	-	-	-	-
<u>489,427</u>	<u>39,643</u>	<u>15,255</u>	<u>1,321</u>	<u>6,157</u>	<u>4,996</u>
-	-	-	12,498	-	22,557
-	-	-	-	-	-
-	-	-	-	-	-
77,709	5,855	(2,374)	185,282	27,533	75,204
-	-	-	-	-	-
<u>77,709</u>	<u>5,855</u>	<u>(2,374)</u>	<u>197,780</u>	<u>27,533</u>	<u>97,761</u>
<u>\$ 567,136</u>	<u>\$ 45,498</u>	<u>\$ 12,881</u>	<u>\$ 199,101</u>	<u>\$ 33,690</u>	<u>\$ 102,757</u>

(continued)

(continued)

	Special Revenue Funds			
	Police Special Fund	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	421,970	41,294	17,988
Intergovernmental receivables	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	20,589	-	169,306	-
Inventory	-	-	12,110	-
	<u>-</u>	<u>-</u>	<u>12,110</u>	<u>-</u>
Total Assets	\$ <u>20,589</u>	\$ <u>421,970</u>	\$ <u>222,710</u>	\$ <u>17,988</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 4,212	\$ 74,047	\$ 13,458
Accrued liabilities	-	-	1,390	558
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	47,456	104,021	79,768
Compensated absences	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	-	51,668	179,458	93,784
Fund Balances:				
Reserved for encumbrances	4,000	6,137	3,391	42,731
Reserved for inventory	-	-	12,110	-
Reserved for expenditures	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	16,589	364,165	27,751	(118,527)
Capital projects fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>20,589</u>	<u>370,302</u>	<u>43,252</u>	<u>(75,796)</u>
Total Liabilities and Fund Balances	\$ <u>20,589</u>	\$ <u>421,970</u>	\$ <u>222,710</u>	\$ <u>17,988</u>

Special Revenue Funds

Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Tuition Programs Fund	Vocational Center Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	5,280	-
-	-	-	16,200	-
-	-	-	-	-
200,717	73,785	63,596	-	906
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>200,717</u>	\$ <u>73,785</u>	\$ <u>63,596</u>	\$ <u>21,480</u>	\$ <u>906</u>
\$ 3,559	\$ -	\$ 6,537	\$ -	\$ -
2,528	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	15,639	-
-	-	-	-	-
<u>6,087</u>	<u>-</u>	<u>6,537</u>	<u>15,639</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
194,630	73,785	57,059	5,841	906
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>194,630</u>	<u>73,785</u>	<u>57,059</u>	<u>5,841</u>	<u>906</u>
\$ <u>200,717</u>	\$ <u>73,785</u>	\$ <u>63,596</u>	\$ <u>21,480</u>	\$ <u>906</u>

(continued)

(continued)

	Special Revenue Funds			
	School Alternative Education Fund	School Facilities Fund	Other Special Revenue Funds	Subtotals
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ 1,736,823	\$ 1,736,823
Investments	-	-	2,385,143	2,385,143
Departmental receivable	-	3,809	-	500,222
Intergovernmental receivables	-	-	-	844,748
Loans receivable	-	-	-	455,894
Due from other funds	242,110	89,765	-	1,644,001
Inventory	-	-	-	28,336
Total Assets	\$ <u>242,110</u>	\$ <u>93,574</u>	\$ <u>4,121,966</u>	\$ <u>7,595,167</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 350	\$ 108,853
Accrued liabilities	-	-	-	26,367
Retainage payable	-	-	-	7,897
Deferred revenue	-	-	-	455,894
Due to other funds	142,067	-	625,238	1,881,416
Compensated absences	-	-	62,904	62,904
Total Liabilities	142,067	-	688,492	2,543,331
Fund Balances:				
Reserved for encumbrances	-	-	-	163,615
Reserved for inventory	-	-	-	28,336
Reserved for expenditures	-	-	20,000	20,000
Unreserved:				
Undesignated, reported in:				
Special revenue fund	100,043	93,574	3,413,474	4,839,885
Capital projects fund	-	-	-	-
Total Fund Balances	<u>100,043</u>	<u>93,574</u>	<u>3,433,474</u>	<u>5,051,836</u>
Total Liabilities and Fund Balances	\$ <u>242,110</u>	\$ <u>93,574</u>	\$ <u>4,121,966</u>	\$ <u>7,595,167</u>

Capital Projects Funds

CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,644,460	10,005,942	836,393	1,221,976	822,703	50,211
-	-	-	-	-	-
<u>\$ 9,644,460</u>	<u>\$ 10,005,942</u>	<u>\$ 836,393</u>	<u>\$ 1,221,976</u>	<u>\$ 822,703</u>	<u>\$ 50,211</u>
\$ 9,672	\$ 1,770,115	\$ 55,340	\$ -	\$ -	\$ -
-	620	615	37	-	159
-	299,828	171,399	4,780	-	300
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,672	2,070,563	227,354	4,817	-	459
190,348	9,186,884	550,901	150,344	51,180	18,682
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,444,440	(1,251,505)	58,138	1,066,815	771,523	31,070
9,634,788	7,935,379	609,039	1,217,159	822,703	49,752
<u>\$ 9,644,460</u>	<u>\$ 10,005,942</u>	<u>\$ 836,393</u>	<u>\$ 1,221,976</u>	<u>\$ 822,703</u>	<u>\$ 50,211</u>

(continued)

(continued)

	Capital Projects Funds			
	CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure
<u>ASSETS</u>				
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Departmental receivable	-	-	-	-
Intergovernmental receivables	-	-	-	-
Loans receivable	-	-	-	-
Due from other funds	42,929	98,177	-	1,815,655
Inventory	-	-	-	-
Total Assets	<u>\$ 42,929</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 1,815,655</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,780	\$ -	\$ -	\$ 5,285
Accrued liabilities	-	-	-	1,152
Retainage payable	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	30,947	-
Compensated absences	-	-	-	-
Total Liabilities	1,780	-	30,947	6,437
Fund Balances:				
Reserved for encumbrances	18,921	-	2,430	11,068
Reserved for inventory	-	-	-	-
Reserved for expenditures	-	-	-	-
Unreserved:				
Undesignated, reported in:				
Special revenue fund	-	-	-	-
Capital projects fund	22,228	98,177	(33,377)	1,798,150
Total Fund Balances	<u>41,149</u>	<u>98,177</u>	<u>(30,947)</u>	<u>1,809,218</u>
Total Liabilities and Fund Balances	<u>\$ 42,929</u>	<u>\$ 98,177</u>	<u>\$ -</u>	<u>\$ 1,815,655</u>

Capital Projects Funds

Cocheco River Dredge	Recreation Field Construction	Subtotals	Total
\$ -	\$ -	\$ -	\$ 1,736,823
-	-	-	2,385,143
-	-	-	500,222
-	-	-	844,748
-	-	-	455,894
4,773	263,762	24,806,981	26,450,982
-	-	-	28,336
<u>\$ 4,773</u>	<u>\$ 263,762</u>	<u>\$ 24,806,981</u>	<u>\$ 32,402,148</u>
\$ 4,774	\$ 1,230	\$ 1,848,196	\$ 1,957,049
-	-	2,583	28,950
13,516	-	489,823	497,720
-	-	-	455,894
1,319,122	-	1,350,069	3,231,485
-	-	-	62,904
<u>1,337,412</u>	<u>1,230</u>	<u>3,690,671</u>	<u>6,234,002</u>
649,857	12,948	10,843,563	11,007,178
-	-	-	28,336
-	-	-	20,000
-	-	-	4,839,885
<u>(1,982,496)</u>	<u>249,584</u>	<u>10,272,747</u>	<u>10,272,747</u>
<u>(1,332,639)</u>	<u>262,532</u>	<u>21,116,310</u>	<u>26,168,146</u>
<u>\$ 4,773</u>	<u>\$ 263,762</u>	<u>\$ 24,806,981</u>	<u>\$ 32,402,148</u>

CITY OF DOVER, NEW HAMPSHIRE

Non-Major Governmental Funds

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For Fiscal Year Ended June 30, 2007**

	<u>Special Revenue Funds</u>			
	Community Development Fund	Housing Rehab Loan Fund	Economic Development Loan Fund	Police DOJ Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	637,031	-	-	281,283
Current services	13,357	33,339	57,526	-
Miscellaneous	<u>113,610</u>	<u>-</u>	<u>-</u>	<u>21,294</u>
Total Revenues	763,998	33,339	57,526	302,577
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	501,079
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Human services	803,230	15,035	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>803,230</u>	<u>15,035</u>	<u>-</u>	<u>501,079</u>
Excess (deficiency) of revenues over expenditures	(39,232)	18,304	57,526	(198,502)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Transfers in	87,991	-	-	224,424
Transfers out	<u>-</u>	<u>(87,991)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>87,991</u>	<u>(87,991)</u>	<u>-</u>	<u>224,424</u>
Net change in fund balances	48,759	(69,687)	57,526	25,922
Fund Balances, beginning	<u>(115,124)</u>	<u>209,707</u>	<u>59,110</u>	<u>(45,266)</u>
Fund Balances, ending	\$ <u><u>(66,365)</u></u>	\$ <u><u>140,020</u></u>	\$ <u><u>116,636</u></u>	\$ <u><u>(19,344)</u></u>

Special Revenue Funds

Homeland Security Fund	Police DHA Fund	Police DOT Fund	Police Tobacco Fund	Emergency Management Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
197,389	77,382	15,355	33,426	-
-	-	-	2,036	-
-	-	-	-	35,206
197,389	77,382	15,355	35,462	35,206
-	-	-	-	-
142,606	92,249	26,785	34,879	14,883
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
142,606	92,249	26,785	34,879	14,883
54,783	(14,867)	(11,430)	583	20,323
-	-	-	-	-
-	14,804	-	-	48,065
-	-	-	-	-
-	14,804	-	-	48,065
54,783	(63)	(11,430)	583	68,388
(129,506)	49	(3,723)	(2,531)	59,664
\$ (74,723)	\$ (14)	\$ (15,153)	\$ (1,948)	\$ 128,052

(continued)

(continued)

	Special Revenue Funds			
	DOI Fund	EPA Fund	Youth Training Fund	School Cafeteria Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	14,490	-	369,880
Current services	-	-	-	932,990
Miscellaneous	-	-	-	35,164
Total Revenues	-	14,490	-	1,338,034
Expenditures:				
Current:				
General government	-	5,573	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	647	-
Education	-	-	-	1,341,708
Human services	-	-	-	-
Debt service	-	-	-	-
Total Expenditures	-	5,573	647	1,341,708
Excess (deficiency) of revenues over expenditures	-	8,917	(647)	(3,674)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	-	8,917	(647)	(3,674)
Fund Balances, beginning	8,527	6,229	647	102,753
Fund Balances, ending	\$ 8,527	\$ 15,146	\$ -	\$ 99,079

Special Revenue Funds

School Federal Aid Fund	School Special Programs Fund	Dover Main Street Fund	Planning Improvements Fund	Police and Fire Detail	Parking Activity Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,966,341	-	-	-	-	-
-	532,698	51,672	27,267	162,251	311,134
-	-	-	-	-	25
<u>2,966,341</u>	<u>532,698</u>	<u>51,672</u>	<u>27,267</u>	<u>162,251</u>	<u>311,159</u>
-	-	50,776	-	-	-
-	-	-	-	134,718	358,277
-	-	-	90,065	-	-
-	-	-	-	-	-
2,958,258	532,698	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,958,258</u>	<u>532,698</u>	<u>50,776</u>	<u>90,065</u>	<u>134,718</u>	<u>358,277</u>
8,083	-	896	(62,798)	27,533	(47,118)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,083	-	896	(62,798)	27,533	(47,118)
69,626	5,855	(3,270)	260,578	-	144,879
<u>\$ 77,709</u>	<u>\$ 5,855</u>	<u>\$ (2,374)</u>	<u>\$ 197,780</u>	<u>\$ 27,533</u>	<u>\$ 97,761</u>

(continued)

(continued)

	Special Revenue Funds			
	Police Special Fund	Conservation Fund	Residential Solid Waste Fund	McConnell Center Fund
Revenues:				
Taxes	\$ -	\$ 507,669	\$ -	\$ -
Licenses and permits	1,670	-	-	-
Intergovernmental	-	18,808	-	-
Current services	-	-	1,106,346	68,826
Miscellaneous	22,120	-	667	-
Total Revenues	23,790	526,477	1,107,013	68,826
Expenditures:				
Current:				
General government	-	970,037	-	-
Public safety	62,762	-	-	-
Public works	-	-	1,008,412	-
Culture and recreation	-	-	-	251,728
Education	-	-	-	-
Human services	-	-	-	-
Debt service	-	253	-	246,106
Total Expenditures	62,762	970,290	1,008,412	497,834
Excess (deficiency) of revenues over expenditures	(38,972)	(443,813)	98,601	(429,008)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Transfers in	-	-	9,300	341,936
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	9,300	341,936
Net change in fund balances	(38,972)	(443,813)	107,901	(87,072)
Fund Balances, beginning	59,561	814,115	(64,649)	11,276
Fund Balances, ending	\$ 20,589	\$ 370,302	\$ 43,252	\$ (75,796)

Special Revenue Funds

Recreation Programs Fund	Recreation Field Maintenance Fund	Library Fines Fund	Tuition Programs Fund	Vocational Center Fund
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	16,200	-
134,629	27,718	42,174	314,841	-
-	-	-	-	-
134,629	27,718	42,174	331,041	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
84,734	23,998	36,688	-	-
-	-	-	342,214	-
-	-	-	-	-
-	-	-	-	-
84,734	23,998	36,688	342,214	-
-	-	-	-	-
49,895	3,720	5,486	(11,173)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
49,895	3,720	5,486	(11,173)	-
144,735	70,065	51,573	17,014	906
\$ 194,630	\$ 73,785	\$ 57,059	\$ 5,841	\$ 906

(continued)

(continued)

	Special Revenue Funds			<u>Subtotals</u>
	<u>School Alternative Education Fund</u>	<u>School Facilities Fund</u>	<u>Other Special Revenue Funds</u>	
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 507,669
Licenses and permits	-	-	-	1,670
Intergovernmental	-	-	-	4,627,585
Current services	278,143	117,171	12,567	4,226,685
Miscellaneous	-	-	745,575	973,661
Total Revenues	278,143	117,171	758,142	10,337,270
Expenditures:				
Current:				
General government	-	-	3,115	1,029,501
Public safety	-	-	43,403	1,411,641
Public works	-	-	10,614	1,109,091
Culture and recreation	-	-	2,317	400,112
Education	651,840	86,168	4,856	5,917,742
Human services	-	-	-	818,265
Debt service	-	-	-	246,359
Total Expenditures	651,840	86,168	64,305	10,932,711
Excess (deficiency) of revenues over expenditures	(373,697)	31,003	693,837	(595,441)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	-
Transfers in	462,500	-	18,000	1,207,020
Transfers out	-	-	-	(87,991)
Total Other Financing Sources (Uses)	462,500	-	18,000	1,119,029
Net change in fund balances	88,803	31,003	711,837	523,588
Fund Balances, beginning	11,240	62,571	2,721,637	4,528,248
Fund Balances, ending	\$ 100,043	\$ 93,574	\$ 3,433,474	\$ 5,051,836

Capital Projects Funds

CIP FY08	CIP FY07	CIP FY06	CIP FY05	CIP FY04	CIP FY03
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	31,994	71,132	9,778	37,595
-	-	23,220	155,643	-	-
-	-	-	-	-	-
-	-	55,214	226,775	9,778	37,595
-	-	-	793,745	253,307	-
-	-	5,933	638	-	-
-	3,876,662	1,448,670	185,044	25,499	38,673
1,900	-	703,170	440	13,050	15,590
14,312	5,972,874	80,016	2,500	1,611	-
-	-	-	-	-	-
-	-	-	-	-	-
16,212	9,849,536	2,237,789	982,367	293,467	54,263
(16,212)	(9,849,536)	(2,182,575)	(755,592)	(283,689)	(16,668)
9,651,000	7,526,000	19,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,651,000	7,526,000	19,000	-	-	-
9,634,788	(2,323,536)	(2,163,575)	(755,592)	(283,689)	(16,668)
-	10,258,915	2,772,614	1,972,751	1,106,392	66,420
\$ 9,634,788	\$ 7,935,379	\$ 609,039	\$ 1,217,159	\$ 822,703	\$ 49,752

(continued)

(continued)

	Capital Projects Funds			
	CIP FY02	CIP FY01	CIP FY00	Tolend Rd Landfill Closure
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Current services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	222	-
Public safety	-	-	-	-
Public works	24,836	-	-	613,959
Culture and recreation	5,563	14,202	16	-
Education	-	-	-	-
Human services	-	-	-	-
Debt service - interest	-	-	-	-
Total Expenditures	30,399	14,202	238	613,959
Excess (deficiency) of revenues over expenditures	(30,399)	(14,202)	(238)	(613,959)
Other Financing Sources (Uses):				
Bonds issued	-	-	-	1,000,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,000,000
Net change in fund balances	(30,399)	(14,202)	(238)	386,041
Fund Balances, beginning	71,548	112,379	(30,709)	1,423,177
Fund Balances, ending	\$ 41,149	\$ 98,177	\$ (30,947)	\$ 1,809,218

Capital Projects Funds

<u>Cochecho River Dredge</u>	<u>Recreation Field Construction</u>	<u>Subtotals</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 507,669
-	-	-	1,670
-	-	150,499	4,778,084
-	-	178,863	4,405,548
-	246,210	246,210	1,219,871
-	246,210	575,572	10,912,842
-	-	1,047,274	2,076,775
-	-	6,571	1,418,212
785,942	722,439	7,721,724	8,830,815
-	22,371	776,302	1,176,414
-	-	6,071,313	11,989,055
-	-	-	818,265
16,000	-	16,000	262,359
801,942	744,810	15,639,184	26,571,895
(801,942)	(498,600)	(15,063,612)	(15,659,053)
-	-	18,196,000	18,196,000
-	-	-	1,207,020 *
-	-	-	(87,991) *
-	-	18,196,000	19,315,029
(801,942)	(498,600)	3,132,388	3,655,976
(530,697)	761,132	17,983,922	22,512,170
\$ (1,332,639)	\$ 262,532	\$ 21,116,310	\$ 26,168,146

* Transfers between nonmajor governmental funds have been netted down on Page 34.

Detail and Combining Budget and Actual Schedules

General Fund

The general fund is established to account for all resources obtained and used for those services commonly provided by the City which are not accounted for in any other fund. These services include, among other items: General government, public safety, public works, culture and recreation, education, human services, inter-governmental and debt service. The primary sources of revenue of the general fund are property taxes, unrestricted state revenue sharing grants, certain restricted grants, and fees for services rendered.

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Revenues and Other Financing Sources -
Budget and Actual - General Fund
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget - Positive (Negative)</u>
<u>Taxes</u>				
Property taxes	\$ 51,219,578	\$ 51,219,578	\$ 51,219,578	\$ -
Boat tax	20,000	20,000	19,957	(43)
Yield tax	2,000	2,000	14,130	12,130
Payment in lieu of taxes	55,000	55,000	62,765	7,765
Activity tax	-	-	6,513	6,513
National bank stock tax	10	10	-	(10)
Tax interest and penalties	175,000	175,000	230,280	55,280
Total Taxes	51,471,588	51,471,588	51,553,223	81,635
<u>Licenses and Permits</u>				
Health licenses and permits	30,000	30,000	25,861	(4,139)
Building permits	250,000	250,000	554,063	304,063
Peddlers and vendors licenses	610	610	870	260
Motor vehicle permits	3,900,000	3,900,000	3,927,069	27,069
Electrical permits	65,000	65,000	74,894	9,894
Plumbing permits	60,000	60,000	63,883	3,883
Trailer park permits	175	175	150	(25)
Fire and rescue permits	2,300	2,300	4,639	2,339
Dog licenses	16,986	16,951	16,120	(831)
Marriage license fees	1,960	1,960	2,002	42
Birth, death and marriage certificates	23,237	23,237	22,308	(929)
Miscellaneous licenses and permits	7,540	7,540	8,150	610
Taxi licenses	1,360	1,360	1,155	(205)
Video and arcade licenses	1,380	1,380	1,240	(140)
Total Licenses and Permits	4,360,548	4,360,513	4,702,404	341,891
<u>Intergovernmental</u>				
Shared revenue block grant	600,243	600,243	600,243	-
Railroad tax	2,966	2,966	2,945	(21)
Rooms and meals distribution	1,111,866	1,111,866	1,111,866	-
Federal grant reimbursement	9,000	9,000	115,100	106,100
State reimbursement	25,784	25,784	15,574	(10,210)
Highway block grant	467,791	467,791	455,531	(12,260)
Miscellaneous Intergovernmental	3,500	3,500	9,702	6,202
Total Intergovernmental	2,221,150	2,221,150	2,310,961	89,811

(continued)

(continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual (Budgetary Basis)	
<u>Current Services</u>				
Sales and service charges	130,725	130,685	150,305	19,620
Copy sales	500	500	539	39
Commissions	200	200	-	(200)
Ambulance services	627,000	627,000	618,022	(8,978)
Interment charges	42,020	42,020	36,060	(5,960)
Headstone foundations	5,000	5,000	4,937	(63)
Recreation charges	110,752	110,752	81,977	(28,775)
Non-resident charges	15,833	15,833	15,195	(638)
Department overhead allocations	370,333	370,333	370,333	-
Miscellaneous service charges	30,755	30,755	30,119	(636)
Total Current Services	1,333,118	1,333,078	1,307,487	(25,591)
<u>Education</u>				
Education revenue	11,606,630	11,606,630	11,944,765	338,135
Total Education Income	11,606,630	11,606,630	11,944,765	338,135
<u>Miscellaneous</u>				
Miscellaneous revenue	12,454	62,680	261,478	198,798
District court receipts	25,000	25,000	32,424	7,424
Miscellaneous fines and forfeits	11,735	11,735	11,670	(65)
Sale of city property	61,067	61,067	110,862	49,795
Fundraising	-	-	850	850
Variances	-	-	(884)	(884)
Investment income	725,000	725,000	1,426,494	701,494
Facilities rental	131,551	131,551	141,511	9,960
Interest on arrears	-	-	449	449
Equipment rental	7,000	7,000	3,414	(3,586)
Total Miscellaneous	973,807	1,024,033	1,988,268	964,235
<u>Other Financing Sources</u>				
Use of fund balance	-	1,175,000	1,175,000	-
Premiums on bonds sold	-	-	63,961	63,961
Transfers in	32,000	32,000	32,000	-
Total Other Financing Sources	32,000	1,207,000	1,270,961	63,961
Total Revenues and Other Financing Sources	\$ 71,998,841	\$ 73,223,992	\$ 75,078,069	\$ 1,854,077

CITY OF DOVER, NEW HAMPSHIRE

**Detail Schedule of Expenditures and Other Financing Uses
Budget and Actual - General Fund
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
<u>General Government</u>				
City Council	\$ 164,217	\$ 168,817	\$ 168,896	\$ (79)
Executive	986,436	1,002,071	993,356	8,715
Finance	1,149,239	1,117,240	1,098,812	18,428
Planning	801,949	776,034	775,095	939
Miscellaneous	813,130	1,600,635	1,221,971	378,664
Total General Government	3,914,971	4,664,797	4,258,130	406,667
<u>Public Safety</u>				
Police	6,377,098	6,207,786	6,211,045	(3,259)
Fire and rescue	5,142,874	5,370,789	5,383,063	(12,274)
Total Public Safety	11,519,972	11,578,575	11,594,108	(15,533)
<u>Public Works</u>				
Community Services - Public Works	4,763,834	4,840,232	4,717,187	123,045
Total Public Works	4,763,834	4,840,232	4,717,187	123,045
<u>Culture and Recreation</u>				
Community Services - Recreation	1,228,509	1,262,544	1,260,980	1,564
Public Library	1,136,474	1,098,309	1,098,275	34
Total Culture and Recreation	2,364,983	2,360,853	2,359,255	1,598
<u>Human Services</u>				
Human Services	714,379	626,039	625,898	141
Total Human Services	714,379	626,039	625,898	141
<u>Education</u>				
School Department	35,778,218	36,211,012	36,118,918	92,094
Total Education	35,778,218	36,211,012	36,118,918	92,094

(continued)

(continued)

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Debt Service</u>				
Principal	4,671,837	4,696,418	4,700,087	(3,669)
Interest	<u>2,470,443</u>	<u>2,445,862</u>	<u>2,445,862</u>	<u>-</u>
Total Debt Service	7,142,280	7,142,280	7,145,949	(3,669)
<u>Intergovernmental</u>				
County tax	<u>5,750,204</u>	<u>5,750,204</u>	<u>5,750,204</u>	<u>-</u>
Total Intergovernmental	<u>5,750,204</u>	<u>5,750,204</u>	<u>5,750,204</u>	<u>-</u>
<u>Transfers</u>				
Transfer out	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Transfers	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 71,998,841</u>	<u>\$ 73,223,992</u>	<u>\$ 72,619,649</u>	<u>\$ 604,343</u>

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2007

	Parking Activity		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Charges for services	\$ 309,820	\$ 311,134	\$ 1,314
Intergovernmental	-	-	-
Miscellaneous	-	25	25
Other financing sources	<u>62,860</u>	<u>62,860</u>	<u>-</u>
Total Revenues	372,680	374,019	1,339
Expenditures:			
Public safety	372,680	379,095	(6,415)
Education	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>372,680</u>	<u>379,095</u>	<u>(6,415)</u>
Excess of revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>(5,076)</u>	\$ <u>(5,076)</u>

Residential Solid Waste			Library Fines		
<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
\$ 1,051,751	\$ 1,106,346	\$ 54,595	\$ 44,000	\$ 42,174	\$ (1,826)
-	-	-	-	-	-
-	667	667	-	-	-
<u>9,300</u>	<u>9,300</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
1,061,051	1,116,313	55,262	79,000	77,174	(1,826)
-	-	-	-	-	-
-	-	-	-	-	-
1,061,051	1,011,553	49,498	-	-	-
-	-	-	79,000	36,688	42,312
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,061,051</u>	<u>1,011,553</u>	<u>49,498</u>	<u>79,000</u>	<u>36,688</u>	<u>42,312</u>
\$ <u>-</u>	\$ <u>104,760</u>	\$ <u>104,760</u>	\$ <u>-</u>	\$ <u>40,486</u>	\$ <u>40,486</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE
Combining Schedule of Revenues and Expenditures
Budget and Actual
Annually Budgeted Non-Major Governmental Funds
For the Year Ended June 30, 2007

(continued)

	Tuition Programs		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Revenues:			
Charges for services	\$ 450,000	\$ 314,841	\$ (135,159)
Intergovernmental	-	16,200	16,200
Miscellaneous revenue	-	-	-
Other financing sources	-	-	-
Total Revenues	450,000	331,041	(118,959)
Expenditures:			
Public safety	-	-	-
Education	450,000	342,214	107,786
Public works	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Total Expenditures	450,000	342,214	107,786
Excess of revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>(11,173)</u>	\$ <u>(11,173)</u>

School Alternative Education			School Facilities		
<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
\$ 312,000	\$ 278,143	\$ (33,857)	\$ 115,000	\$ 117,171	\$ 2,171
-	-	-	-	-	-
-	-	-	-	-	-
<u>462,500</u>	<u>462,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
774,500	740,643	(33,857)	115,000	117,171	2,171
-	-	-	-	-	-
774,500	652,423	122,077	115,000	106,018	8,982
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>774,500</u>	<u>652,423</u>	<u>122,077</u>	<u>115,000</u>	<u>106,018</u>	<u>8,982</u>
<u>\$ -</u>	<u>\$ 88,220</u>	<u>\$ 88,220</u>	<u>\$ -</u>	<u>\$ 11,153</u>	<u>\$ 11,153</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2007

(continued)

	McConnell Center		Variance
	<u>Budget</u>	<u>Actual</u>	Positive (Negative)
Revenues:			
Charges for services	\$ 177,464	\$ 68,826	\$ (108,638)
Intergovernmental	-	-	-
Miscellaneous	-	-	-
Other financing sources	<u>341,936</u>	<u>341,936</u>	<u>-</u>
Total Revenues	519,400	410,762	(108,638)
Expenditures:			
Public safety	-	-	-
Education	-	-	-
Public works	-	-	-
Culture and recreation	302,935	289,480	13,455
Debt service	<u>216,465</u>	<u>246,106</u>	<u>(29,641)</u>
Total Expenditures	<u>519,400</u>	<u>535,586</u>	<u>(16,186)</u>
Excess of revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>(124,824)</u>	\$ <u>(124,824)</u>

Police DHA Fund			School Cafeteria		
<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ 1,270,599	\$ 932,990	\$ (337,609)
89,000	77,382	(11,618)	-	369,880	369,880
-	-	-	-	35,164	35,164
<u>6,117</u>	<u>14,804</u>	<u>8,687</u>	<u>-</u>	<u>-</u>	<u>-</u>
95,117	92,186	(2,931)	1,270,599	1,338,034	67,435
95,117	92,249	2,868	-	-	-
-	-	-	1,270,599	1,341,708	(71,109)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>95,117</u>	<u>92,249</u>	<u>2,868</u>	<u>1,270,599</u>	<u>1,341,708</u>	<u>(71,109)</u>
<u>\$ -</u>	<u>\$ (63)</u>	<u>\$ (63)</u>	<u>\$ -</u>	<u>\$ (3,674)</u>	<u>\$ (3,674)</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Combining Schedule of Revenues and Expenditures
Budget and Actual

Annually Budgeted Non-Major Governmental Funds

For the Year Ended June 30, 2007

(continued)

	Police DOJ Fund		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Intergovernmental	221,421	281,283	59,862
Miscellaneous	-	21,294	21,294
Other financing sources	<u>224,424</u>	<u>224,424</u>	
Total Revenues	445,845	527,001	81,156
Expenditures:			
Public safety	445,845	501,079	(55,234)
Education	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>445,845</u>	<u>501,079</u>	<u>(55,234)</u>
Excess of revenues and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>25,922</u>	\$ <u>25,922</u>

Enterprise Funds

Enterprise Funds were established to account for activities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the activity be self-supporting based on user charges.

The City of Dover has the following Enterprise Funds:

Water Fund: To account for the operation of a water treatment plant, City wells and water system.

Sewer Fund: To account for the operation of a sewer treatment plant, pumping station and sewer lines.

Arena Fund: To account for the operations of the Dover Ice Arena.

DBIDA Fund: To account for the economic development projects of the Dover Business Industrial Development Authority (DBIDA), which operates under RSA 162-G.

No annual budget is adopted for the DBIDA Fund.

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CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2007

		Water Fund	
		Actual	Variance
	Budget	(Budgetary Basis)	Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 3,457,798	\$ 3,241,820	\$ (215,978)
Other	<u>21,000</u>	<u>52,588</u>	<u>31,588</u>
Total Operating Revenues	3,478,798	3,294,408	(184,390)
Operating Expenses:			
Personnel services	1,137,335	1,086,496	50,839
Purchased services	212,666	217,386	(4,720)
Supplies and materials	452,508	498,550	(46,042)
Minor equipment	50,000	31,899	18,101
Other	171,657	159,168	12,489
Depreciation	<u>706,000</u>	<u>637,400</u>	<u>68,600</u>
Total Operating Expenses	<u>2,730,166</u>	<u>2,630,899</u>	<u>99,267</u>
Operating Income (Loss)	748,632	663,509	(85,123)
Non-Operating Income (Expenses):			
Interest expense	(467,132)	(447,753)	19,379
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(467,132)</u>	<u>(447,753)</u>	<u>19,379</u>
Net Income (Loss) Before Transfers	281,500	215,756	(65,744)
Other Financing Sources and Uses:			
Use of retained earnings	18,500	18,500	-
Transfers in	-	-	-
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(281,500)</u>	<u>(281,500)</u>	<u>-</u>
Net Income (Loss)	\$ <u>-</u>	\$ <u>(65,744)</u>	\$ <u>(65,744)</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2007

(continued)

		Sewer Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 4,103,380	\$ 3,621,192	\$ (482,188)
Other	<u>32,000</u>	<u>42,185</u>	<u>10,185</u>
Total Operating Revenues	4,135,380	3,663,377	(472,003)
Operating Expenses:			
Personnel services	1,204,828	1,123,003	81,825
Purchased services	202,360	187,798	14,562
Supplies and materials	863,344	831,598	31,746
Minor equipment	50,000	33,118	16,882
Other	192,166	195,350	(3,184)
Depreciation	<u>1,869,000</u>	<u>1,875,205</u>	<u>(6,205)</u>
Total Operating Expenses	<u>4,381,698</u>	<u>4,246,072</u>	<u>135,626</u>
Operating Income (Loss)	(246,318)	(582,695)	(336,377)
Non-Operating Income (Expenses):			
Interest expense	(714,920)	(702,213)	12,707
Intergovernmental	<u>303,238</u>	<u>552,375</u>	<u>249,137</u>
Total Non-Operating Income (Expenses)	<u>(411,682)</u>	<u>(149,838)</u>	<u>261,844</u>
Net Income (Loss) Before Transfers	(658,000)	(732,533)	(74,533)
Other Financing Sources and Uses:			
Use of retained earnings	1,058,000	1,058,000	-
Transfers in	-	-	-
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>658,000</u>	<u>658,000</u>	<u>-</u>
Net Income (Loss)	\$ <u>-</u>	\$ <u>(74,533)</u>	\$ <u>(74,533)</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Enterprise Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2007

(continued)

		Arena Fund	
	Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Operating revenue	\$ 1,445,585	\$ 1,340,485	\$ (105,100)
Other	<u>45,800</u>	<u>121,000</u>	<u>75,200</u>
Total Operating Revenues	1,491,385	1,461,485	(29,900)
Operating Expenses:			
Personnel services	482,021	506,718	(24,697)
Purchased services	104,338	106,002	(1,664)
Supplies and materials	400,850	432,649	(31,799)
Minor equipment	-	-	-
Other	210,407	106,022	104,385
Depreciation	<u>145,364</u>	<u>146,214</u>	<u>(850)</u>
Total Operating Expenses	<u>1,342,980</u>	<u>1,297,605</u>	<u>45,375</u>
Operating Income (Loss)	148,405	163,880	15,475
Non-Operating Income (Expenses):			
Interest expense	(148,405)	(149,571)	(1,166)
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-Operating Income (Expenses)	<u>(148,405)</u>	<u>(149,571)</u>	<u>(1,166)</u>
Net Income (Loss) Before Transfers	-	14,309	14,309
Other Financing Sources and Uses:			
Use of retained earnings	-	-	-
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 14,309</u>	<u>\$ 14,309</u>

INTERNAL SERVICE FUNDS

- DoverNet Fund - To account for the costs related to the operations of the information technology network and the allocation of these costs to the various funds and functions.
- Central Stores Fund - To account for the costs related to the supplies, copiers and postage and the allocation of these costs to the various funds and functions based on actual use.
- Fleet Maintenance Fund - To account for the maintenance costs related to the vehicle fleet and the allocation of these costs to the various funds and functions based on actual use.
- Workers Compensation Fund - To account for the cost of administration, insurance and claims for workers compensation and the allocation of these costs to the various funds and functions based on historical wage and claims history.

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

**Combining Statement of Net Assets
June 30, 2007**

	<u>Dover Net Fund</u>	<u>Central Stores Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
<u>ASSETS</u>					
Current:					
Departmental and other receivables	\$ 66,379	\$ -	\$ -	\$ -	\$ 66,379
Due from other funds	233,836	48,461	102,604	613,872	998,773
Inventory	-	-	59,392	-	59,392
Other assets	<u>-</u>	<u>-</u>	<u>3,827</u>	<u>-</u>	<u>3,827</u>
Total Assets	300,215	48,461	165,823	613,872	1,128,371
<u>LIABILITIES</u>					
Current:					
Accounts payable	19,053	6,340	24,314	1,942	51,649
Accrued liabilities	2,134	-	5,555	-	7,689
Claims liability	-	-	-	252,821	252,821
Compensated absences	<u>7,883</u>	<u>-</u>	<u>17,495</u>	<u>-</u>	<u>25,378</u>
Total Current Liabilities	29,070	6,340	47,364	254,763	337,537
Non-current:					
Claims liability, net of current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,232</u>	<u>379,232</u>
Total Liabilities	29,070	6,340	47,364	633,995	716,769
<u>NET ASSETS</u>					
Unrestricted	<u>271,145</u>	<u>42,121</u>	<u>118,459</u>	<u>(20,123)</u>	<u>411,602</u>
Total Net Assets	\$ <u>271,145</u>	\$ <u>42,121</u>	\$ <u>118,459</u>	\$ <u>(20,123)</u>	\$ <u>411,602</u>

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

**Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
For Fiscal Year Ended June 30, 2007**

	<u>Dover Net Fund</u>	<u>Central Stores Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ 302,856	\$ 100,434	\$ 578,392	\$ 355,129	\$ 1,336,811
Miscellaneous	<u>1,163</u>	<u>-</u>	<u>113</u>	<u>980</u>	<u>2,256</u>
Total Operating Revenues	304,019	100,434	578,505	356,109	1,339,067
Operating Expenses:					
Personal services	145,410	-	353,459	238,694	737,563
Purchased services	59,723	61,532	6,448	159,382	287,085
Supplies	3,490	30,699	28,849	-	63,038
Minor equipment	55,229	-	-	-	55,229
Other expenses	<u>-</u>	<u>-</u>	<u>206,495</u>	<u>13,774</u>	<u>220,269</u>
Total Operating Expenses	<u>263,852</u>	<u>92,231</u>	<u>595,251</u>	<u>411,850</u>	<u>1,363,184</u>
Change in Net Assets	40,167	8,203	(16,746)	(55,741)	(24,117)
Net Assets at Beginning of Year	<u>230,978</u>	<u>33,918</u>	<u>135,205</u>	<u>35,618</u>	<u>435,719</u>
Net Assets at End of Year	\$ <u>271,145</u>	\$ <u>42,121</u>	\$ <u>118,459</u>	\$ <u>(20,123)</u>	\$ <u>411,602</u>

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Combining Statement of Cash Flows

For Fiscal Year Ended June 30, 2007

	<u>Dover Net Fund</u>	<u>Central Stores Fund</u>	<u>Fleet Maintenance Fund</u>	<u>Workers Compensation Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:					
Receipts from customers and users for services	\$ 315,577	\$ 100,432	\$ 578,507	\$ 356,105	\$ 1,350,621
Payments to vendors and contractors	(103,196)	(88,171)	(17,188)	(173,231)	(381,786)
Payments of employee salaries and benefits	(143,359)	-	(559,820)	(165,121)	(868,300)
Receipts for interfund service provided	-	-	(1,499)	(17,753)	(19,252)
Payments for interfund service provided	<u>(69,022)</u>	<u>(12,261)</u>	<u>-</u>	<u>-</u>	<u>(81,283)</u>
Net Cash Provided By (Used For) Operating Activities	-	-	-	-	-
Cash and Short Term Investments, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Short Term Investments, End of Yea	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:					
Operating income (loss)	\$ 40,167	\$ 8,203	\$ (16,746)	\$ (55,741)	\$ (24,117)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Changes in assets and liabilities:					
Inventory	-	-	4,045	-	4,045
Departmental and other receivables	11,558	-	-	-	11,558
Intefund receivables/payables	(69,022)	(12,261)	(1,499)	(17,753)	(100,535)
Accounts payable	15,245	4,058	14,066	(79)	33,290
Accrued liabilities	(137)	-	833	73,573	74,269
Compensated absences	<u>2,189</u>	<u>-</u>	<u>(699)</u>	<u>-</u>	<u>1,490</u>
Net Cash Provided By (Used For) Operating Activitie:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2007

	Dover Net Fund		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services	\$ 302,728	\$ 302,856	\$ 128
Other revenue	<u>-</u>	<u>1,167</u>	<u>1,167</u>
Total Operating Revenues	302,728	304,023	1,295
Operating Expenses:			
Personnel services	147,127	145,410	1,717
Purchased services	90,997	54,768	36,229
Supplies and materials	6,325	3,508	2,817
Minor equipment	58,279	53,432	4,847
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>302,728</u>	<u>257,118</u>	<u>45,610</u>
Operating Income (Loss)	-	46,905	46,905
Use of retained earnings	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 46,905</u>	<u>\$ 46,905</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2007

(continued)

	Central Stores Fund		
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 100,748	\$ 100,434	\$ (314)
Other revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	100,748	100,434	(314)
Operating Expenses:			
Personnel services	-	-	-
Purchased services	68,698	61,532	7,166
Supplies and materials	32,050	30,997	1,053
Minor equipment	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>100,748</u>	<u>92,529</u>	<u>8,219</u>
Operating Income (Loss)	-	7,905	7,905
Use of retained earnings	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ 7,905</u>	<u>\$ 7,905</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2007

(continued)

	Fleet Maintenance Fund		
	<u>Budget</u>	Actual (Budgetary Basis)	Variance Positive (Negative)
Operating Revenues:			
Charges for services	\$ 515,119	\$ 578,391	\$ 63,272
Other revenue	<u>-</u>	<u>113</u>	<u>113</u>
Total Operating Revenues	515,119	578,504	63,385
Operating Expenses:			
Personnel services	403,216	353,459	49,757
Purchased services	4,389	5,788	(1,399)
Supplies and materials	17,300	28,625	(11,325)
Minor equipment	500	-	500
Other	<u>146,024</u>	<u>202,607</u>	<u>(56,583)</u>
Total Operating Expenses	<u>571,429</u>	<u>590,479</u>	<u>(19,050)</u>
Operating Income (Loss)	(56,310)	(11,975)	44,335
Use of retained earnings	<u>56,310</u>	<u>56,310</u>	<u>-</u>
Net Income (Loss)	\$ <u>-</u>	\$ <u>44,335</u>	\$ <u>44,335</u>

(continued)

CITY OF DOVER, NEW HAMPSHIRE

Internal Service Funds

Schedule of Revenues and Expenses -
Budget and Actual

For the Year Ended June 30, 2007

(continued)

	Workers Compensation Fund		
	<u>Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services	\$ 355,000	\$ 355,129	\$ 129
Other revenue	<u>-</u>	<u>980</u>	<u>980</u>
Total Operating Revenues	355,000	356,109	1,109
Operating Expenses:			
Personnel services	301,000	238,694	62,306
Purchased services	27,000	157,236	(130,236)
Supplies and materials	-	-	-
Minor equipment	-	-	-
Other	<u>27,000</u>	<u>13,774</u>	<u>13,226</u>
Total Operating Expenses	<u>355,000</u>	<u>409,704</u>	<u>(54,704)</u>
Operating Income (Loss)	-	(53,595)	(53,595)
Use of retained earnings	<u>-</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	<u>\$ -</u>	<u>\$ (53,595)</u>	<u>\$ (53,595)</u>

Fiduciary Funds

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds.

Agency Funds:

- Performance Bonds: To account for funds received from contractors doing work for the City to insure the City against the contractor's failure to complete the required.
- Chamber of Commerce: To account for funds received from Chamber of Commerce for its Riverwalk Project.
- Department Agency: To account for funds received from other organizations for activities administered by various City departments.
- School Agency: To account for funds received from other organizations for activities administered by the Dover School Department.

Private Purpose Funds:

- Cemetery - To account for private donations left in trust to maintain graves and provide flowers.
- Parks and Recreation - To account for private donations left in trust to assist individuals attending various recreational programs.
- Welfare - To account for private donations left in trust for the benefit of low or moderate income individuals.
- School - To account for private donations left in trust mainly for the benefit of providing scholarships to high school graduates.

CITY OF DOVER, NEW HAMPSHIRE

Agency Funds

Combining Statement of Assets and Liabilities

June 30, 2007

	<u>Performance Deposits</u>	<u>Chamber of Commerce</u>	<u>Department Agency</u>	<u>School Agency</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and short-term investments	\$ -	\$ -	\$ -	\$ 317,102	\$ 317,102
Due from other funds	<u>738,701</u>	<u>3,083</u>	<u>21,415</u>	<u>4,154</u>	<u>767,353</u>
Total Assets	<u>\$ 738,701</u>	<u>\$ 3,083</u>	<u>\$ 21,415</u>	<u>\$ 321,256</u>	<u>\$ 1,084,455</u>
<u>LIABILITIES</u>					
Other liabilities	<u>\$ 738,701</u>	<u>\$ 3,083</u>	<u>\$ 21,415</u>	<u>\$ 321,256</u>	<u>\$ 1,084,455</u>
Total Liabilities	<u>\$ 738,701</u>	<u>\$ 3,083</u>	<u>\$ 21,415</u>	<u>\$ 321,256</u>	<u>\$ 1,084,455</u>

CITY OF DOVER, NEW HAMPSHIRE

Agency Funds

**Combining Statement of Changes
in Assets and Liabilities
For the Fiscal Year Ended June 30, 2007**

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<u>Performance Deposits</u>				
Assets - due from other funds	\$ 708,426	\$ 533,571	\$ (503,296)	\$ 738,701
Liabilities - other liabilities	\$ 708,426	\$ 533,571	\$ (503,296)	\$ 738,701
<u>Chamber of Commerce</u>				
Assets - due from other funds	\$ 3,083	\$ 10,000	\$ (10,000)	\$ 3,083
Liabilities - other liabilities	\$ 3,083	\$ 10,000	\$ (10,000)	\$ 3,083
<u>Department Agency</u>				
Assets - due from other funds	\$ 19,812	\$ 84,483	\$ (82,880)	\$ 21,415
Liabilities - other liabilities	\$ 19,812	\$ 84,483	\$ (82,880)	\$ 21,415
<u>School Agency</u>				
Assets - cash	\$ -	\$ 317,102	\$ -	\$ 317,102
Assets - due from other funds	4,862	5,636	(6,344)	4,154
Total Assets	\$ 4,862	\$ 322,738	\$ (6,344)	\$ 321,256
Liabilities - other liabilities	\$ 4,862	\$ 322,738	\$ (6,344)	\$ 321,256
<u>Totals</u>				
Assets - cash	\$ -	\$ 317,102	\$ -	\$ 317,102
Assets - due from other funds	736,183	633,690	(602,520)	767,353
Total Assets	\$ 736,183	\$ 950,792	\$ (602,520)	\$ 1,084,455
Liabilities - other liabilities	\$ 736,183	\$ 950,792	\$ (602,520)	\$ 1,084,455

CITY OF DOVER, NEW HAMPSHIRE

Private Purpose Trust Funds

Combining Statement of Fiduciary Net Assets

June 30, 2007

	<u>Cemetery</u>	<u>Parks and Recreation</u>	<u>Welfare</u>	<u>School</u>	<u>Total</u>
<u>ASSETS</u>					
Due from other funds	\$ <u>146,728</u>	\$ <u>41,083</u>	\$ <u>108,833</u>	\$ <u>323,447</u>	\$ <u>620,091</u>
Total Assets	146,728	41,083	108,833	323,447	620,091
<u>LIABILITIES AND NET ASSETS</u>					
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>					
Total Net Assets Held in Trust	\$ <u><u>146,728</u></u>	\$ <u><u>41,083</u></u>	\$ <u><u>108,833</u></u>	\$ <u><u>323,447</u></u>	\$ <u><u>620,091</u></u>

CITY OF DOVER, NEW HAMPSHIRE

Private Purpose Trust Funds

**Combining Statement of Changes
in Fiduciary Net Assets
For Fiscal Year Ended June 30, 2007**

	<u>Cemetery</u>	<u>Parks and Recreation</u>	<u>Welfare</u>	<u>School</u>	<u>Total</u>
Additions:					
Contributions	\$ 664	\$ -	\$ -	\$ 3,225	\$ 3,889
Investment income	<u>9,040</u>	<u>2,769</u>	<u>8,646</u>	<u>36,696</u>	<u>57,151</u>
Total Additions	9,704	2,769	8,646	39,921	61,040
Deductions:					
Disbursements by agent	<u>3,173</u>	<u>-</u>	<u>756</u>	<u>7,689</u>	<u>11,618</u>
Total Deductions	<u>3,173</u>	<u>-</u>	<u>756</u>	<u>7,689</u>	<u>11,618</u>
Net Increase	6,531	2,769	7,890	32,232	49,422
Net Assets:					
Beginning of Year	<u>140,197</u>	<u>38,314</u>	<u>100,943</u>	<u>291,215</u>	<u>570,669</u>
End of Year	<u>\$ 146,728</u>	<u>\$ 41,083</u>	<u>\$ 108,833</u>	<u>\$ 323,447</u>	<u>\$ 620,091</u>

STATISTICAL SECTION

CITY OF DOVER, NEW HAMPSHIRE

STATISTICAL SECTION

The City of Dover's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	132-138
Revenue Capacity	
<i>These schedules contain information to help reader assess the government's most significant local revenue source, the property tax.</i>	139-144
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	145-147
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	148-149
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	150-155

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Dover, New Hampshire

Net Assets by Component

Last Ten Fiscal Years (1)

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in capital assets, net of related debt	\$ 47,842,554	\$ 50,841,722	\$ 53,992,080	\$ 56,387,047	\$ 57,412,322
Restricted	449,317	467,560	135,140	135,519	220,907
Unrestricted	(3,376,708)	(4,956,172)	(5,048,192)	334,752	2,143,471
Total governmental activities net assets	\$ 44,915,163	\$ 46,353,110	\$ 49,079,028	\$ 56,857,318	\$ 59,776,700
Business-type activities					
Invested in capital assets, net of related debt	\$ 50,262,498	\$ 49,960,529	\$ 49,129,986	\$ 49,120,227	\$ 49,735,238
Restricted	908,920	1,548,748	2,961,035	2,628,641	3,619,664
Unrestricted	3,890,445	3,777,256	3,499,041	3,591,882	1,527,399
Total business-type activities net assets	\$ 55,061,863	\$ 55,286,533	\$ 55,590,062	\$ 55,340,750	\$ 54,882,301
Primary government					
Invested in capital assets, net of related debt	\$ 98,105,052	\$ 100,802,251	\$ 103,122,066	\$ 105,507,274	\$ 107,147,560
Restricted	1,358,237	2,016,308	3,096,175	2,764,160	3,840,571
Unrestricted	513,737	(1,178,916)	(1,549,151)	3,926,634	3,670,870
Total primary government net assets	\$ 99,977,026	\$ 101,639,643	\$ 104,669,090	\$ 112,198,068	\$ 114,659,001

Notes:

(1) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Changes in Net Assets

Last Ten Fiscal Years (1)

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 3,745,857	\$ 3,809,832	\$ 4,873,893	\$ 3,670,881	\$ 3,834,147
Public safety	9,713,495	10,657,493	10,284,604	12,865,806	13,974,469
Public works	7,995,930	6,739,392	6,972,709	9,128,400	8,380,719
Culture and recreation	2,985,494	2,911,587	2,349,885	2,882,727	3,655,755
Education	36,502,911	37,408,903	37,715,317	41,198,155	42,505,294
Human services	630,133	1,481,363	1,156,326	1,310,008	1,445,035
Intergovernmental	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204
Interest	1,492,822	1,646,763	1,815,709	2,108,107	2,813,594
Miscellaneous	318,758	-	-	-	-
Total governmental activities expenses	67,080,646	69,294,516	69,505,335	78,618,899	82,359,217
Business-type activities:					
Water services	2,326,346	2,521,875	2,779,842	2,977,351	3,304,778
Sewer services	4,327,567	4,566,230	4,647,438	4,997,619	5,043,665
Arena services	1,151,200	1,262,538	1,314,389	1,418,234	1,481,949
DBIDA services	7,098	7,894	5,879	81,943	144,500
Total business-type activities expenses	7,812,211	8,358,537	8,747,548	9,475,147	9,974,892
Total primary government expenses	\$ 74,892,857	\$ 77,653,053	\$ 78,252,883	\$ 88,094,046	\$ 92,334,109
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 1,484,034	\$ 871,799	\$ 1,312,097	\$ 1,609,618	\$ 1,310,619
Public safety	1,235,206	806,821	437,825	603,642	1,275,129
Public works	868,876	1,260,514	2,810,817	1,307,824	1,544,584
Culture and recreation	403,968	718,942	601,361	591,904	659,630
Education	9,004,003	12,951,805	13,493,145	13,630,851	14,030,649
Human services	6,230	11,749	196,645	136,057	55,192
Miscellaneous	54,573	-	-	-	-
Total charges for services	13,056,890	16,621,630	18,851,890	17,879,896	18,875,803
Operating grants and contributions	9,116,737	6,724,481	6,284,743	6,061,067	7,100,396
Capital grants and contributions	1,691,916	1,768,318	919,502	1,213,101	970,772
Total governmental activities program revenues	23,865,543	25,114,429	26,056,135	25,154,064	26,946,971
Business-type activities:					
Charges for services					
Water services	3,158,780	3,027,514	3,197,227	3,406,598	3,379,209
Sewer services	4,196,982	3,928,891	4,019,804	3,934,859	3,767,878
Arena services	783,190	1,062,556	1,202,974	1,264,746	1,461,474
DBIDA services	-	-	250	44,701	268,973
Total charges for services	8,138,952	8,018,961	8,420,255	8,650,904	8,877,534
Capital grants and contributions	512,554	474,062	612,576	538,839	552,375
Total business-type activities program revenues	8,651,506	8,493,023	9,032,831	9,189,743	9,429,909
Total primary government program revenues	\$ 32,517,049	\$ 33,607,452	\$ 35,088,966	\$ 34,343,807	\$ 36,376,880
Net (Expenses)Revenue					
Governmental activities	\$ (43,215,103)	\$ (44,180,087)	\$ (43,449,200)	\$ (53,464,835)	\$ (55,412,246)
Business-type activities	839,295	134,486	285,283	(285,404)	(544,983)
Total Primary government net expense	\$ (42,375,808)	\$ (44,045,601)	\$ (43,163,917)	\$ (53,750,239)	\$ (55,957,229)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes	\$ 38,969,984	\$ 41,202,971	\$ 44,469,792	\$ 49,606,220	\$ 52,129,249
Motor vehicle registration tax	3,719,694	3,844,146	3,923,934	3,968,620	3,927,069
Penalties, interest and other taxes	196,283	218,578	8,419	4,391	16,009
Unrestricted investment income	244,495	334,854	433,788	1,008,421	1,811,976
Other revenue	223,362	100,160	123,533	232,575	447,325
Special item	-	-	(2,793,947)	6,395,994	-
Transfers, net	14,524	(82,675)	9,599	26,904	-
Total governmental activities	43,368,342	45,618,034	46,175,118	61,243,125	58,331,628
Business-type activities:					
Investment income	11,042	7,509	27,845	52,496	86,533
Other Revenue	-	-	-	10,500	-
Transfers, net	(14,524)	82,675	(9,599)	(26,904)	-
Total business-type activities	(3,482)	90,184	18,246	36,092	86,533
Total primary government	\$ 43,364,860	\$ 45,708,218	\$ 46,193,364	\$ 61,279,217	\$ 58,418,161
Change in Net Assets					
Governmental activities	\$ 153,239	\$ 1,437,947	\$ 2,725,918	\$ 7,778,290	\$ 2,919,382
Business-type activities	835,813	224,670	303,529	(249,312)	(458,450)
Total primary government	\$ 989,052	\$ 1,662,617	\$ 3,029,447	\$ 7,528,978	\$ 2,460,932

(1) The City will continue to annually report information until this schedule includes 10 fiscal years.

City of Dover, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved for encumbrances	\$ 152,091	\$ 363,783	\$ 363,239	\$ 469,814	\$ 703,744	\$ 790,753	\$ 398,376	\$ 563,764	\$ 817,682	\$ 808,589
Reserved for advances (1)	316,000	399,500	286,000	309,500	944,236	1,381,880	1,674,304	1,897,034	2,153,630	2,287,210
Reserved for capital outlay (2)	78,176	291,930	263,680	286,559	259,577	85,693	148,750	127,500	106,250	823,543
Reserved for debt service	30,000	255,000	233,750	212,500	191,250	170,000	110,000	110,000	68,508	106,250
Total Reserved	576,267	1,310,213	1,146,669	1,278,373	2,098,807	2,428,326	2,331,430	2,698,298	3,146,070	4,025,592
Unreserved	2,034,593	2,149,416	3,949,957	4,408,451	3,605,676	3,709,521	3,593,044	3,867,587	4,796,633	5,068,952
Total General Fund	<u>\$ 2,610,860</u>	<u>\$ 3,459,629</u>	<u>\$ 5,096,626</u>	<u>\$ 5,686,824</u>	<u>\$ 5,704,483</u>	<u>\$ 6,137,847</u>	<u>\$ 5,924,474</u>	<u>\$ 6,565,885</u>	<u>\$ 7,942,703</u>	<u>\$ 9,094,544</u>
All other governmental funds										
Reserved for encumbrances	\$ 590,238	\$ -	\$ 3,696,096	\$ 3,495,464	\$ 4,061,377	\$ 2,219,715	\$ 3,138,359	\$ 2,851,074	\$ 7,210,141	\$ 11,007,178
Reserved for capital outlay	1,094,127	3,208,582	336,496	5,736,649	-	4,081,977	4,465,278	9,880,180	11,125,112	10,272,747
Reserved for other	23,077	25,707	27,484	27,682	28,938	23,424	29,963	39,161	39,176	48,336
Total Reserved	1,707,442	3,234,289	4,060,076	9,259,795	4,090,315	6,325,116	7,633,600	12,770,415	18,374,429	21,328,261
Unreserved	453,431	725,332	924,378	1,056,594	724,855	3,669,786	4,283,723	3,228,880	4,137,741	4,839,885
Total all other governmental funds	<u>\$ 2,160,873</u>	<u>\$ 3,959,621</u>	<u>\$ 4,984,454</u>	<u>\$ 10,316,389</u>	<u>\$ 4,815,170</u>	<u>\$ 9,994,902</u>	<u>\$ 11,917,323</u>	<u>\$ 15,999,295</u>	<u>\$ 22,512,170</u>	<u>\$ 26,168,146</u>

Data Source:

Audited Financial Statements

Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.

Notes:

- (1) This reserve is for the cash advance to the Arena Fund.
- (2) Appropriations for capital assets financed through the General Fund have a 3 year life or until the purpose is met.

City of Dover, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 27,475,883	\$ 29,211,331	\$ 29,376,946	\$ 32,105,887	\$ 35,759,199	\$ 39,127,067	\$ 41,635,187	\$ 44,425,858	\$ 49,273,703	\$ 51,923,895
Licenses and permits	2,842,129	3,005,048	3,344,023	3,686,246	3,944,619	4,096,208	4,254,976	4,379,423	4,746,999	4,704,073
Intergovernmental	4,468,834	4,480,277	4,983,314	5,235,678	5,971,855	7,028,720	8,277,017	6,779,512	6,748,901	7,577,132
Current service charges	2,296,463	2,454,321	2,441,185	2,799,133	2,875,191	3,986,260	3,682,668	6,696,041	5,552,867	5,699,435
Education	4,174,750	4,446,561	8,823,894	9,333,811	11,003,650	11,740,906	11,666,453	11,589,151	11,513,198	11,944,765
Miscellaneous revenue	1,924,630	1,273,730	1,472,918	1,734,335	1,302,185	1,060,772	1,427,204	1,597,921	2,185,844	3,221,740
Total revenues	43,182,688	44,871,268	50,442,280	54,895,090	60,856,699	67,039,934	70,943,506	75,467,906	80,021,512	85,071,040
Expenditures										
General government	2,018,075	2,220,952	2,752,678	2,957,861	3,049,278	3,362,579	3,682,989	4,510,703	4,403,947	3,768,761
Public safety	6,953,254	7,027,867	7,931,994	8,516,843	9,016,550	9,669,513	10,453,530	11,220,754	12,244,120	12,527,349
Public works	3,479,659	3,674,158	3,685,294	4,264,705	4,158,668	5,278,346	4,774,012	5,488,069	5,396,712	6,620,093
Culture and recreation	1,449,134	1,569,064	1,733,286	1,891,421	1,969,556	2,026,355	2,232,117	2,207,717	2,596,284	3,164,802
Education	21,342,687	22,553,697	24,750,933	27,151,429	31,382,245	34,643,006	36,706,948	37,366,752	39,929,897	40,788,339
Human services	1,397,457	1,050,727	1,109,990	1,617,411	1,141,594	1,181,469	1,475,210	1,171,342	1,271,139	1,422,465
Intergovernmental	2,741,840	2,729,400	2,824,052	2,855,108	3,666,619	3,695,246	4,639,183	4,336,892	5,454,815	5,750,204
Capital outlay ⁽¹⁾	2,480,628	13,522,595	6,450,130	8,894,073	7,596,771	7,471,290	5,393,035	6,952,065	10,748,911	17,072,862
Debt service										
Principal	1,735,106	1,802,942	2,000,038	3,291,991	4,006,958	3,998,487	4,214,821	4,220,335	4,486,607	4,740,087
Interest	1,062,741	1,051,474	1,394,983	1,159,145	1,700,213	1,524,218	1,644,937	1,799,495	2,054,291	2,668,222
Total expenditures	44,660,581	57,202,876	54,633,378	62,599,987	67,688,452	72,850,509	75,216,782	79,274,123	88,586,723	98,523,184
Excess of revenues										
Over(under) expenditures	(1,477,893)	(12,331,608)	(4,191,098)	(7,704,897)	(6,831,753)	(5,810,575)	(4,273,276)	(3,806,217)	(8,565,211)	(13,452,144)
Other Financing Sources (Uses)										
Bond issuance	\$ 1,047,289	\$ 14,720,603	\$ 6,920,928	13,586,400	1,229,000	9,159,000	6,065,000	8,520,000	16,428,000	18,196,000
Bond premium	-	-	-	-	-	-	-	-	-	63,961
Transfers in ⁽²⁾	36,435	503,071	257,193	577,740	531,781	944,509	1,040,165	1,148,898	1,161,973	1,183,029
Transfers out ⁽²⁾	-	(244,571)	(325,193)	(537,110)	(412,588)	(929,985)	(1,122,840)	(1,139,298)	(1,135,069)	(1,183,029)
Total governmental activities	1,083,724	14,979,103	6,852,928	13,627,030	1,348,193	9,173,524	5,982,325	8,529,600	16,454,904	18,259,961
Net Change in fund balances	\$ (394,169)	\$ 2,647,495	\$ 2,661,830	\$ 5,922,133	\$ (5,483,560)	\$ 3,362,949	\$ 1,709,049	\$ 4,723,383	\$ 7,889,693	\$ 4,807,817
Debt Service as a percentage of										
non-capital outlay expenditures	6.6%	6.5%	7.0%	8.3%	9.5%	8.4%	8.4%	8.3%	8.4%	9.1%
Data Source:										
Audited Financial Statements										
Beginning in Fiscal Year 2003 Special Revenue Funds include funds which were previously considered Trust Funds under the Pre GASB 34 reporting model.										

Notes

(1) Capital outlay expenditures are presented within other function categories on page 34.

(2) Gross amounts of transfers in and out are presented here, while transfers between nonmajor governmental funds have been eliminated on page 34.

City of Dover, New Hampshire

Combined Utility Fund Revenue, Expenses, and Changes in Fund Net Assets

Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease)	
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total	Total Net Assets	Total Net Assets
2007	\$ 552,375	\$ 6,863,012	\$ 369,070	\$ -	\$ 7,784,457	\$ 4,685,872	\$ 2,512,605	\$ 1,149,966	\$ -	\$ 8,348,443	\$ (563,986)	\$ 54,972,706
2006	519,346	7,065,852	327,783	-	7,912,981	4,558,650	2,422,858	993,462	26,904	8,001,874	(88,893)	55,536,692
2005	612,576	6,880,875	363,769	-	7,857,220	4,407,360	2,302,636	717,284	9,599	7,436,879	420,341	55,625,585
2004	474,062	6,383,456	580,370	82,675	7,520,563	3,952,020	2,139,939	996,146	-	7,088,105	432,458	55,205,244 (1)
2003	512,554	6,957,737	409,068	-	7,879,359	3,560,102	2,087,337	1,006,474	14,524	6,668,438	1,210,921	54,772,785 (2)
2002	565,334	5,130,038	136,903	735,000	6,567,275	3,285,298	2,264,227	1,136,101	592,245	7,277,871	(710,596)	53,561,864
2001	679,857	5,498,937	217,157	867,000	7,262,951	3,294,038	2,214,503	906,358	340,000	6,756,899	506,052	44,826,544
2000	638,392	4,999,583	179,590	-	5,817,565	2,877,432	2,225,281	1,018,410	315,000	6,436,123	(618,558)	44,210,697
1999	759,847	4,888,517	102,005	-	5,750,369	2,859,706	2,237,918	1,125,162	290,000	6,512,786	(762,417)	44,721,602
1998	791,522	4,693,006	164,281	500,607	6,149,416	2,779,065	2,099,376	1,207,484	245,339	6,331,264	(181,848)	45,407,210

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Assets

Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease)	
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total	Total Net Assets	Total Net Assets
2007	\$ -	\$ 3,241,820	\$ 182,180	\$ -	\$ 3,424,000	\$ 2,219,625	\$ 637,400	\$ 447,753	\$ -	\$ 3,304,778	\$ 119,222	\$ 16,110,202
2006	-	3,296,940	133,046	-	3,429,986	2,032,099	646,178	299,074	500	2,977,851	452,135	15,990,980
2005	15,000	3,056,682	150,305	-	3,221,987	1,990,737	602,372	186,733	6,500	2,786,342	435,645	15,538,845
2004	-	2,789,034	240,517	82,675	3,112,226	1,762,176	526,183	233,516	-	2,521,875	590,351	15,103,200
2003	-	3,040,583	121,338	-	3,161,921	1,611,453	501,377	213,516	-	2,326,346	835,575	14,512,849 (1)
2002	-	2,217,796	47,485	400,000	2,665,281	1,513,683	465,709	259,524	292,245	2,531,161	134,120	13,677,274 (2)
2001	-	2,287,727	19,100	142,000	2,448,827	1,377,318	438,642	118,840	40,000	1,974,800	474,027	8,375,032
2000	-	2,169,065	12,030	-	2,181,095	1,227,278	430,875	147,350	40,000	1,845,503	335,592	7,791,977
1999	-	2,052,582	16,239	-	2,068,821	1,125,482	406,385	162,953	40,000	1,734,820	334,001	7,348,732
1998	-	2,031,133	16,834	3,216	2,051,183	1,136,149	339,450	183,506	40,000	1,699,105	352,078	6,937,923

Sewer Fund Revenue, Expenses, and Changes in Fund Net Assets

Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease)	
	Intergovernmental	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Transfers Out	Total	Total Net Assets	Total Net Assets
2007	\$ 552,375	\$ 3,621,192	\$ 186,890	\$ -	\$ 4,360,457	\$ 2,466,247	\$ 1,875,205	\$ 702,213	\$ -	\$ 5,043,665	\$ (683,208)	\$ 38,862,504
2006	519,346	3,768,912	194,737	-	4,482,995	2,526,551	1,776,680	694,388	26,404	5,024,023	(541,028)	39,545,712
2005	597,576	3,824,193	213,464	-	4,635,233	2,416,623	1,700,264	530,851	3,099	4,650,537	(15,304)	40,086,740
2004	474,062	3,594,422	339,853	-	4,408,337	2,189,844	1,613,756	762,630	-	4,566,230	(157,893)	40,102,044
2003	512,554	3,917,154	287,730	-	4,717,438	1,948,649	1,585,960	792,958	14,524	4,342,091	375,347	40,259,937 (1)
2002	565,334	2,912,242	89,418	335,000	3,901,994	1,771,615	1,798,518	876,577	300,000	4,746,710	(844,716)	39,884,590 (2)
2001	679,857	3,211,210	198,057	725,000	4,814,124	1,916,720	1,775,861	789,518	300,000	4,782,099	32,025	36,451,512
2000	638,392	2,830,518	167,560	-	3,636,470	1,650,154	1,794,406	871,060	275,000	4,590,620	(954,150)	36,418,720
1999	759,847	2,835,935	85,766	-	3,681,548	1,734,224	1,831,533	962,209	250,000	4,777,966	(1,096,418)	37,372,870
1998	791,522	2,661,873	147,447	497,391	4,098,233	1,642,916	1,759,926	1,023,978	205,339	4,632,159	(533,926)	38,469,287

Data Source:

Audited Financial Reports

Notes:

(1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.

(2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.

City of Dover, New Hampshire

Arena Fund Revenue, Expenses, and Changes in Fund Net Assets Last Ten Fiscal Years

Fiscal Year	Revenue				Expenses				Increase (Decrease) Total Net Assets	Total Net Assets
	Charges for Services	Other	Transfers In	Total	Operations & Maintenance	Depreciation	Interest Expense	Total		
2007	\$ 1,340,485	\$ 122,468	\$ -	\$ 1,462,953	\$ 1,186,164	146,214	\$ 149,571	\$ 1,481,949	\$ (18,996)	\$ (1,251,888)
2006	1,210,812	73,703	-	1,284,515	1,116,996	142,535	158,703	1,418,234	(133,719)	(1,232,892)
2005	1,153,168	50,038	-	1,203,206	1,013,035	142,364	158,990	1,314,389	(111,183)	(1,099,173)
2004	996,402	66,242	-	1,062,644	944,294	142,364	175,880	1,262,538	(199,894)	(987,990)
2003	744,278	38,912	-	783,190	813,758	144,174	193,268	1,151,200	(368,010)	(788,096) (1)
2002	703,767	26,734	-	730,501	905,837	124,252	229,307	1,259,396	(528,895)	(420,086) (2&3)
2001	503,124	-	100,000	603,124	653,641	68,291	19,014	740,946	(137,822)	(244,184)
2000	498,644	-	-	498,644	479,116	72,650	21,220	572,986	(74,342)	(106,362)
1999	496,101	-	-	496,101	470,494	75,876	23,470	569,840	(73,739)	(32,020)
1998	514,662	-	-	514,662	456,332	73,424	26,157	555,913	(41,251)	41,719

Data Source:

Notes:

- (1) Beginning in Fiscal Year 2003 includes Capital Reserve Funds which were previously considered Trust Funds.
- (2) Total Net Assets as restated for Fiscal Year ending June 30, 2002. Restatement resulting from adjustment of capital asset values and accumulated depreciation.
- (3) The Arena facility was expanded adding a second enclosed ice sheet that came on-line during fiscal year 2002.

City of Dover, New Hampshire

General Government Tax Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Property Taxes	Current Use Penalties	Boat Tax	Yield Tax	Payment in Lieu of Tax	Excavation Tax	Activity Tax (1)	Tax Interest & Penalties	Total
2007	\$51,082,581	\$507,669	\$19,957	\$14,130	\$62,765	\$6,513	\$ -	\$230,280	\$51,923,895
2006	48,502,622	481,763	22,389	628	63,553	7,112	-	195,636	49,273,703
2005	43,776,292	363,102	24,174	1,456	57,145	9,863	-	193,827	44,425,858
2004	41,200,107	108,017	26,275	4,651	68,874	8,700	-	218,562	41,635,187
2003	38,345,800	475,838	22,759	4,945	71,298	10,143	-	196,283	39,127,067
2002	35,273,175	162,276	23,328	3,279	99,639	13,953	-	183,548	35,759,198
2001	31,494,896	250,246	20,745	765	90,005	10,459	35,085	203,687	32,105,886
2000	28,596,237	341,124	21,473	19,047	93,506	10,743	39,410	255,406	29,376,946
1999	28,702,711	119,434	21,209	9,341	86,259	6,371	35,464	230,542	29,211,331
1998	27,013,636	80,986	-	3,598	94,715	-	19,938	263,009	27,475,882

Data Source:

Audited Internal Financial Statements

Notes:

(1) Activity tax was ruled unconstitutional by N.H. Supreme Court.

City of Dover, New Hampshire

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at end of Current Fiscal year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	in Levy	Liened	% Liened
2007	\$ 51,305,180	\$ 49,264,164	96.0%	\$ 2,041,016	\$ -	\$ 2,041,016	\$ 49,264,164	96.0%	9,552	353	3.7%
2006	48,838,109	46,864,721	96.0%	1,973,388	1,577,717	395,671	48,442,438	99.2%	9,187	278	3.0%
2005	43,833,406	42,209,865	96.3%	1,623,541	1,497,468	126,073	43,707,333	99.7%	9,103	249	2.7%
2004	41,081,332	39,523,636	96.2%	1,557,696	1,556,643	1,053	41,080,279	100.0%	9,009	262	2.9%
2003	38,378,893	36,736,461	95.7%	1,642,433	1,642,433	-	38,378,893	100.0%	8,888	310	3.5%
2002	35,301,454	33,862,981	95.9%	1,438,473	1,438,473	4	35,301,454	100.0%	8,735	301	3.4%
2001	31,525,308	30,190,566	95.8%	1,334,742	1,334,742	-	31,525,308	100.0%	8,673	318	3.7%
2000	28,514,086	27,305,905	95.8%	1,208,181	1,208,181	-	28,514,086	100.0%	8,498	397	4.7%
1999	28,513,295	27,184,820	95.3%	1,328,475	1,328,475	-	28,513,295	100.0%	8,502	405	4.8%
1998	27,295,037	25,825,560	94.6%	1,469,477	1,469,477	-	27,295,037	100.0%	8,497	383	4.5%

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year. Taxpayers have two years to redeem liens prior to property being tax deeded.

City of Dover, New Hampshire

Assessed and Estimated Full Value of Real Property Last Ten Fiscal Years

Fiscal Year	Local Assessed Value (1)			Total Assessed Value	Less Exemptions to Assessed Value (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate per \$1,000 of Assessed Value	Estimated Full Value (2)	Ratio of Total Assessed Value to Total Estimated Full Value
	Residential	Commercial/Industrial	Utilities						
2007	\$ 2,178,722,000	\$ 597,125,300	\$ 34,773,700	\$ 2,810,621,000	\$ 45,808,500	\$ 2,764,812,500	\$ 18.72	\$ 2,954,382,748	95.1%
2006	1,992,919,500	546,120,670	33,169,300	2,572,209,470	36,144,400	2,536,065,070	17.29	2,909,166,586	88.4%
2005	1,881,960,500	545,071,520	33,003,800	2,460,035,820	30,528,200	2,429,507,620	16.42	2,599,843,962	94.6%
2004	1,580,353,000	485,398,492	31,250,100	2,097,001,592	19,013,400	2,077,988,192	17.67	2,303,407,162	91.0%
2003	1,359,533,470	471,810,672	31,250,100	1,862,594,242	10,271,000	1,852,323,242	18.89	2,033,558,594	91.6%
2002	1,157,386,700	414,001,060	31,250,100	1,602,637,860	9,969,500	1,592,668,360	20.09	1,789,901,391	89.5%
2001	780,489,650	319,310,200	26,188,800	1,125,988,650	7,145,000	1,118,843,650	25.97	1,529,921,457	73.6%
2000	725,066,300	265,815,100	25,502,700	1,016,384,100	9,362,000	1,007,022,100	25.81	1,324,236,772	76.8%
1999	702,697,000	259,212,300	25,466,800	987,376,100	5,833,300	981,542,800	26.49	1,161,777,709	85.0%
1998	685,793,200	241,339,500	25,466,800	952,599,500	6,555,800	946,043,700	25.80	1,028,621,807	92.6%
1997	673,774,200	234,392,600	25,612,900	933,779,700	5,878,300	927,901,400	26.10	996,357,942	93.7%

Data Sources:

(1) State MS-1 Report of Assessed Values

(2) NH Department of Revenue Administration's annual Equalization Survey

City of Dover, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	2007 Assessed Value	Rank	Percentage of Total Assessed Value	1998 Assessed Value	Rank	Percentage of Total Assessed Value
Liberty Mutual Insurance Co	Insurance	\$ 26,622,700	1	0.96 %	\$ 18,334,100	1	- %
Public Service Co of NH	Utility	22,955,700	2	0.83	17,216,200	2	1.82
The New Meadows Inc	Apartments	16,390,200	3	0.59	4,541,200	9	-
Holgate Limited Partnership	Comm/Res Rentals	16,042,600	4	0.58	-	-	-
171 Watson Rd of Dover Holding Corp.	Scholastic Testing	13,996,500	5	0.51	-	-	-
Dover Mills Partnership	Developer	11,695,700	6	0.42	7,968,900	5	0.84
NP Dover LLC (Current) Shaw's(Previously)	Supermarket	11,171,400	7	0.40	7,141,800	6	0.75
Northern Utilities Inc	Gas Utility	10,751,300	8	0.39	8,381,800	4	0.89
MSM Brothers, Inc.	Apartments	9,894,700	9	0.36	-	-	-
Sawyers Mills Assoc Inc	Apartments	9,688,600	10	0.35	4,193,500	10	0.44
Goss (Current) Heidelberg (Previously)	Manufacturer	-	-	-	8,552,200	3	0.90
Davidson Rubber	Urethane Products	-	-	-	7,004,300	7	0.74
Hannaford Brothers	Supermarket	-	-	-	5,424,200	8	0.57
Total Principal Taxpayers		\$ 149,209,400		5.40 %	\$ 70,424,100		6.96 %
Total Net Assessed Taxable Value		\$ 2,764,812,500			\$ 946,043,700		

Data Source:
City of Dover Tax Warrant

City of Dover, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value Direct and Overlapping Governments Last Ten Fiscal Years

Fiscal Year	City Direct Rates							Overlapping Rate		Estimated Full Value Rate
	City	Budgetary Use of Fund Balance (1)	Total City (2)	Local School (2)	State School (3)	Total School	Total Direct	County	Total	
2007	\$ 6.87	\$ (0.15)	\$ 6.72	\$ 7.56	\$ 2.38	\$ 9.94	\$ 16.66	\$ 2.06	\$ 18.72	\$ 17.47
2006	7.04	-	7.04	7.66	2.59	10.25	17.29	2.13	19.42	16.88
2005	6.91	-	6.91	6.71	2.80	9.51	16.42	1.76	18.18	16.93
2004	7.48	(0.05)	7.43	5.87	4.37	10.24	17.67	2.21	19.88	17.85
2003	8.03	(0.13)	7.90	6.08	4.91	10.99	18.89	1.97	20.86	18.90
2002	8.80	(0.67)	8.13	6.31	5.65	11.96	20.09	2.27	22.36	19.75
2001	11.28	(0.94)	10.34	8.41	7.22	15.63	25.97	2.51	28.48	20.25
2000	11.70	(0.25)	11.45	6.32	8.04	14.36	25.81	2.75	28.56	21.04
1999	10.54	(0.34)	10.20	16.29	-	16.29	26.49	2.73	29.22	23.65
1998	10.11	(0.41)	9.70	16.10	-	16.10	25.80	2.85	28.65	26.07

Data Source:

NH State Department of Revenue Administration

Notes:

- (1) Reflects the decrease to the City rate as a result of the City Council voting to use a portion of Fund Balance to finance the budget. This is calculated by the City of Dover for informational purposes.
- (2) Debt service is included in the City and Local School rates.
- (3) The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Dover, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates

Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates (1)		Billable Volume Used for Setting Rates (2)		Rates per HCF (4)		
	Water	Sewer	Water	Sewer (3)	Water	Sewer	Combined
2007	\$ 3,179,280	\$ 4,023,180	1,019,000	927,000	\$ 3.12	\$ 4.34	\$ 7.46
2006	3,016,240	3,828,510	1,019,000	927,000	2.96	4.13	7.09
2005	2,730,920	3,717,270	1,019,000	927,000	2.68	4.01	6.69
2004	2,422,840	3,605,880	1,018,000	906,000	2.38	3.98	6.36
2003	2,202,550	3,357,000	1,015,000	900,000	2.17	3.73	5.90
2002	2,286,900	3,162,790	990,000	881,000	2.31	3.59	5.90
2001	1,958,400	2,972,160	960,000	864,000	2.04	3.44	5.48
2000	1,940,850	2,704,000	935,000	845,000	2.08	3.20	5.28
1999	1,739,100	2,720,000	930,000	850,000	1.87	3.20	5.07
1998	1,791,720	2,605,800	948,000	860,000	1.89	3.03	4.92

Data Source:

City of Dover Budget and Budget Resolutions

Notes:

- (1) Amount to be raised by rate equals the net budget, i.e., appropriations less other revenue sources.
- (2) Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).
- (3) Sewer charges are based on the amount of water consumed.
- (4) One hundred cubic feet (HCF) equals 748 gallons.

City of Dover, New Hampshire

Dover's Share of the Strafford County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

Total Equalized Values			
Tax Year	Dover	Strafford County	Dover's %
2005	\$ 2,912,670,592	\$ 10,943,501,422	26.6155271%
2004	2,603,256,233	9,798,715,231	26.5673221%
2003	2,307,394,165	8,651,293,933	26.6710874%
2002	2,036,499,998	7,464,648,336	27.2819282%
2001	1,794,028,135	6,480,835,631	27.6820496%
2000	1,564,564,557	5,607,449,033	27.9015386%
1999	1,357,414,368	4,861,486,637	27.9217957%
1998	1,212,846,560	4,392,004,563	27.6148748%
1997	1,076,042,753	4,035,213,913	26.6663125%
1996	1,041,173,409	3,886,903,418	26.7867065%

Apportionment of County Tax Levy				
Fiscal Year	County Tax Levy	Dover's Share	Dover's Share \$ Change	Dover's Share % Change
2007	\$ 21,604,701	\$ 5,750,205	\$ 295,390	5.4%
2006	20,532,046	5,454,815	1,117,923	25.8%
2005	16,260,649	4,336,892	(302,291)	-6.5%
2004	17,004,598	4,639,183	943,938	25.5%
2003	13,348,887	3,695,245	28,626	0.8%
2002	13,141,275	3,666,619	811,511	28.4%
2001	10,225,372	2,855,108	31,056	1.1%
2000	10,226,562	2,824,052	94,652	3.5%
1999	10,235,383	2,729,400	(12,440)	-0.5%
1998	10,235,819	2,741,840	278,063	11.3%

Data Sources:

NH Department of Revenue Administration Equalization Surveys

County Tax Warrants

Adopted Strafford County Budgets

City of Dover, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt at June 30										
City Depts	\$ 11,470,671	\$ 14,820,966	\$ 13,916,837	\$ 23,873,243	\$ 22,628,086	\$ 25,708,328	\$ 27,332,571	\$ 30,982,814	\$ 39,661,057	\$ 45,784,300
Hospital	100,000	-	-	-	-	-	-	-	-	-
School Dept	2,691,653	2,357,273	19,182,291	19,720,294	17,987,493	20,067,764	20,293,700	20,943,122	24,206,272	31,538,942
Total Governmental Activities	14,262,324	17,178,239	33,099,128	43,593,537	40,615,579	45,776,092	47,626,271	51,925,936	63,867,329	77,323,242
Water Fund	2,763,733	2,894,382	2,337,196	4,858,947	4,307,298	5,985,649	7,665,000	7,788,000	11,103,000	12,578,000
Sewer Fund	15,181,074	14,295,691	13,004,800	14,650,000	13,640,000	15,056,000	14,829,000	14,701,000	14,553,000	13,210,000
Arena Fund	444,918	403,915	366,880	3,930,390	4,279,500	4,034,410	3,785,920	3,542,430	3,298,940	3,055,450
DBIDA Fund	985,413	944,491	923,842	901,144	-	-	-	-	2,383,554	2,256,453
Total Debt at June 30	\$ 33,637,462	\$ 35,716,718	\$ 49,731,846	\$ 67,734,018	\$ 62,842,377	\$ 70,852,151	\$ 73,906,191	\$ 77,957,366	\$ 95,205,823	\$ 108,423,145
Base Value for Debt Limits (1)										
	\$ 1,072,384,312	\$ 1,208,262,266	\$ 1,351,890,603	\$ 1,558,792,610	\$ 1,820,063,750	\$ 2,065,144,579	\$ 2,336,696,368	\$ 2,634,930,749	\$ 2,944,329,836	\$ 2,988,313,185
Legal Debt Limits (% of Base Value)										
City - 1.75% thru 1998, 3% 1999 on (2)	\$ 18,766,725	\$ 36,247,868	\$ 40,556,718	\$ 46,763,779	\$ 54,601,913	\$ 61,954,337	\$ 70,100,891	\$ 79,047,922	\$ 88,329,895	\$ 89,649,396
School - 7% (2)	75,066,902	84,578,359	94,632,342	109,115,483	127,404,463	144,560,121	163,568,746	184,445,152	206,103,089	209,181,823
Water - 10% (2)	107,238,431	120,826,227	135,189,060	155,879,262	182,006,375	206,514,458	233,669,637	263,493,075	294,432,984	298,831,319
DBIDA - Industrial Parks (3)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
DBIDA - Industrial Buildings (4)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
DBIDA - Industrial Project (5)	NA	NA	NA	NA	NA	NA	NA	NA	205,776,758	224,849,680
Debt Against Legal Debt Limits										
City Depts. (Includes Arena)	9,600,589	11,808,525	11,127,117	24,706,790	24,265,500	25,855,410	27,052,920	30,306,430	37,712,940	42,989,450
School Dept.	2,691,653	2,357,273	19,182,291	19,720,294	17,987,493	20,067,764	20,293,700	20,943,122	24,206,272	31,538,942
Water Fund	2,763,733	2,894,382	2,337,196	4,858,947	4,307,298	5,985,649	7,665,000	7,788,000	11,103,000	12,578,000
DBIDA - Industrial Parks	2,337,138	2,145,000	1,970,000	1,795,000	1,625,000	1,455,000	1,285,000	1,115,000	945,000	1,095,000
DBIDA - Industrial Buildings	983,275	944,491	923,842	901,144	-	-	-	-	-	-
DBIDA - Industrial Project	-	-	-	-	-	-	-	-	2,383,554	1,936,453
Exempt from Legal Debt Limits (6)	15,281,074	15,567,047	14,191,400	15,751,843	14,657,086	17,488,328	17,609,571	17,804,814	18,855,057	18,285,300
Total Debt at June 30	\$ 33,637,462	\$ 35,716,718	\$ 49,731,846	\$ 67,734,018	\$ 62,842,377	\$ 70,852,151	\$ 73,906,191	\$ 77,957,366	\$ 95,205,823	\$ 108,423,145
Unused Capacity of Legal Debt Limits										
City Depts.	\$ 9,166,136	\$ 24,430,343	\$ 29,429,601	\$ 22,056,989	\$ 30,336,413	\$ 36,098,927	\$ 43,047,971	\$ 48,741,492	\$ 50,616,955	\$ 46,659,946
School Dept.	72,375,248	82,221,086	75,450,051	89,395,189	109,416,969	124,492,357	143,275,046	163,502,030	181,896,817	177,642,981
Water Fund	104,474,699	117,931,845	132,851,864	151,020,315	177,699,077	200,528,809	228,004,637	255,705,075	283,329,984	286,253,319
DBIDA - Industrial Parks	1,662,863	1,855,000	2,030,000	2,205,000	2,375,000	2,545,000	2,715,000	2,885,000	3,055,000	2,905,000
DBIDA - Industrial Buildings	36,725	55,509	76,158	98,856	1,000,000	1,000,000	1,000,000	1,000,000	-	-
DBIDA - Industrial Project	NA	NA	NA	NA	NA	NA	NA	NA	203,393,203	222,913,227
% of Legal Debt Limits Used										
City Depts	51.2%	32.6%	27.4%	52.8%	44.4%	41.7%	38.6%	38.3%	42.7%	48.0%
School Dept.	3.6%	2.8%	20.3%	18.1%	14.1%	13.9%	12.4%	11.4%	11.7%	15.1%
Water Fund	2.6%	2.4%	1.7%	3.1%	2.4%	2.9%	3.3%	3.0%	3.8%	4.2%
DBIDA - Industrial Parks	58.4%	53.6%	49.3%	44.9%	40.6%	36.4%	32.1%	27.9%	23.6%	27.4%
DBIDA - Industrial Buildings	96.3%	94.4%	92.4%	90.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DBIDA - Industrial Project	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.9%

Data Source
Audited Financial Statements

Notes

- (1) Base Value for Debt Limits computed by the NH Department of Revenue Administration
- (2) Legal debt limit percentage rates set by NH State statute
- (3) Dover Business & Industrial Development Authority - Industrial Parks. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations
- (4) Dover Business & Industrial Development Authority - Industrial Park Buildings. Limit set by special legislation. New statute adopted by City Council February 9, 2005 effective for new debt authorizations.
- (5) Dover Business & Industrial Development Authority - Bond Limit of general obligation of 8% of local assessed value.
- (6) Debt exempt from Debt limits consists of Hospital and Sewer debt and debt for hazardous waste remediation included in City Depts.

City of Dover, New Hampshire

Ratios of Outstanding Debt by Debt Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities - General Obligation Debt						Tax Supported Debt	% of Net Debt to Assessed Value	Tax Supported Debt per capita
	City Depts.	Hospital	School Dept.	Total	Less Hospital Reimbursement	Less State School Aid			
2007	\$ 45,784,300	\$ -	\$ 31,538,942	\$ 77,323,242	\$ -	\$ 8,883,991	\$ 68,439,251	2.5%	\$ 2,347
2006	39,661,057	-	24,206,272	63,867,329	-	5,421,046	58,446,283	2.3%	2,009
2005	30,982,814	-	20,943,122	51,925,936	-	4,240,639	47,685,297	2.0%	1,660
2004	27,332,571	-	20,293,700	47,626,271	-	4,682,229	42,944,042	2.1%	1,497
2003	25,708,328	-	20,067,764	45,776,092	-	5,120,525	40,655,567	2.2%	1,435
2002	22,628,086	-	17,987,493	40,615,579	-	4,027,482	36,588,097	2.3%	1,312
2001	23,673,243	-	19,720,294	43,393,537	-	4,401,080	38,992,457	3.5%	1,421
2000	13,916,837	-	19,182,291	33,099,128	-	4,793,257	28,305,871	2.8%	1,053
1999	14,820,966	-	2,357,273	17,178,239	-	83,408	17,094,831	1.7%	640
1998	11,470,671	100,000	2,691,653	14,262,324	100,000	97,365	14,064,959	1.5%	535

Fiscal Year	Business-Type Activities - General Obligation Debt					Less State Sewer Aid	Net Debt	Net debt per capita (1)	% of Personal Income (2)
	Water Fund	Sewer Fund	Arena Fund	DBIDA Fund	Total				
2007	\$ 12,578,000	\$ 13,210,000	\$ 3,055,450	\$ 2,256,453	\$ 31,099,903	\$ 4,141,071	\$ 26,958,832	\$ 924	3.2%
2006	11,103,000	14,553,000	3,298,940	2,383,554	31,338,494	4,970,673	26,367,821	906	3.2%
2005	7,788,000	14,701,000	3,542,430	-	26,031,430	5,800,276	20,231,154	704	2.6%
2004	7,665,000	14,829,000	3,785,920	-	26,279,920	6,629,874	19,650,046	685	2.6%
2003	5,985,649	15,056,000	4,034,410	-	25,076,059	7,459,482	17,616,577	681	2.6%
2002	4,307,298	13,640,000	4,279,500	-	22,226,798	8,289,085	13,937,713	556	2.2%
2001	4,858,947	14,650,000	3,930,390	901,144	24,340,481	9,118,688	15,221,793	627	2.6%
2000	2,337,196	13,004,800	366,880	923,842	16,632,718	9,948,296	6,684,422	285	1.2%
1999	2,894,382	14,295,691	403,915	944,491	18,538,479	10,777,894	7,760,585	343	1.5%
1998	2,763,733	15,181,074	444,918	985,413	19,375,138	11,637,588	7,737,550	354	1.6%

Fiscal Year	Total Primary Government	Less State and Hospital	Net Debt	% of Net Debt to Assessed Value	Net Debt per capita (1)	% of Personal Income (2)
2007	\$ 108,423,145	\$ 13,025,062	\$ 95,398,083	3.5%	\$ 3,271	11.2%
2006	95,205,823	10,391,719	84,814,105	3.3%	2,915	10.3%
2005	77,957,366	10,040,915	67,916,451	2.8%	2,364	8.6%
2004	73,906,191	11,312,103	62,594,088	3.0%	2,182	8.2%
2003	70,852,151	12,580,007	58,272,144	3.1%	2,057	7.9%
2002	62,842,377	12,316,567	50,525,810	3.2%	1,812	7.2%
2001	67,734,018	13,519,768	54,214,251	4.8%	1,976	8.1%
2000	49,731,846	14,741,553	34,990,293	3.5%	1,302	5.5%
1999	35,716,718	10,861,302	24,855,416	2.5%	931	4.1%
1998	33,637,462	11,834,953	21,802,509	2.3%	822	3.8%

Data Source:
Audited Financial Statements

Notes:
(1) Per capita ratios based on trended NH Office of State Planning population estimates
(2) Personal Income ratios based on trended 2000 US Census amounts.

City of Dover, New Hampshire

Computation of Overlapping Debt Strafford County Long Term Debt Last Ten Calendar Years

End of Calendar Year	Net General Obligation Debt Outstanding (1)	Percentage Applicable to Government (2)	Amount Applicable to Government
2006	\$ 24,495,948	25.8785931%	\$ 6,339,207
2005	24,960,356	26.6155271%	6,643,330
2004	26,361,597	26.5673221%	7,003,570
2003	23,565,225	26.6710874%	6,285,102
2002	21,834,311	27.2819282%	5,956,821
2001	1,882,838	27.6820496%	521,208
2000	2,082,838	27.9015386%	581,144
1999	815,000	27.9217957%	227,563
1998	960,000	27.6148748%	265,103
1997	1,175,000	26.6663125%	313,329

Data Sources:

(1) Strafford County Audited Financial Statements at calendar year end

(2) NH Department of Revenue Administration

City of Dover, New Hampshire

Demographic Statistics Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Family Income (2)	Estimated Total Personal Income (3)	Per Capita Personal Income (2)	City (4)		Unemployment Rates (4)		
					Unemployed	Labor Force	City	State of NH	US
2007	29,161	\$ 70,189	\$ 848,410,134	\$ 29,094	579	17,550	3.3%	4.0%	4.5%
2006	29,097	68,312	823,125,033	28,289	539	17,400	3.1%	3.6%	5.1%
2005	28,728	66,435	789,560,352	27,484	504	16,442	3.1%	3.8%	5.5%
2004	28,688	64,558	765,367,152	26,679	564	16,310	3.5%	4.3%	6.0%
2003	28,329	62,681	732,984,546	25,874	564	15,987	3.5%	4.7%	5.8%
2002	27,878	60,804	698,873,582	25,069	370	15,727	2.4%	3.5%	4.7%
2001	27,437	58,927	665,731,368	24,264	320	15,557	2.1%	2.8%	4.0%
2000	26,884	57,050	630,671,756	23,459	310	14,665	2.1%	2.7%	4.2%
1999	26,698	55,174	604,923,284	22,658	337	14,540	2.3%	2.9%	4.5%
1998	26,514	53,297	579,410,442	21,853	377	14,683	2.6%	3.1%	4.9%

Data Sources:

- (1) Trended 2005 NH Office of State Planning population estimates, 2000 and 1990 US Census.
- (2) Trended amounts based on 2000 and 1990 US Census information.
- (3) Estimated based on trended population and per capita personal income.
- (4) US Bureau of Labor Statistic - calendar year annual averages not seasonally adjusted.
Reflects calendar year ending during fiscal year (mid-fiscal year).

City of Dover, New Hampshire

Principal Employers

Current Year and Nine Years Ago

Employer	Type of Business	2007			1998 ⁽²⁾		
		Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Wentworth Douglas Hospital	Hospital	1,650	1	9.40 %	950	2	6.47 %
Liberty Mutual Insurance Co	Insurance	1,270	2	7.24	1,100	1	7.49
City of Dover (FTEs)	Municipality	858	3	4.89	931	3	6.34
Measured Progress	Scholastic testing	351	4	2.00	New since 1996		-
Fosters Daily Democrat	Newspaper	300	5	1.71	Unknown		-
Churchill Medical Systems	Manufacturer - medical kits	218	6	1.24	Unknown		-
Goss (previously Heidelberg Harris)	Manufacturer - Presses	152	7	0.87	600	4	4.09
AT&T	National Passport center	150	8	0.85	New since 1996		-
Park Nameplate	Nameplates for auto/cosmetics	141	9	0.80	New since 1996		-
EAD Motors	Electric motors & fans	113	10	0.64	200	6	1.36
Moore Business Forms	Form handling equipment	Closed 2003			300	5	2.04
Total Principal Employers		5,203		29.65 %	4,081		27.79 %
Total City Employment (1)		17,550			14,683		

Data Source:

Final Official Statements for City of Dover bond issues and information provided by City's Business Assistance Office.

Notes

(1) US Bureau of Labor Statistics calendar year annual average ending during fiscal year.

(2) Numbers 7, 8, 9 and 10 unavailable at this time.

City of Dover, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Finance										
Taxable property parcels assessed	8,497	8,502	8,498	8,673	8,735	8,888	9,009	9,103	9,187	9,552
Property transfers processed	1,350	1,116	1,003	1,012	1,038	1,146	1,194	1,170	1,198	977
Motor vehicles registered	26,796	26,892	27,827	28,536	29,190	29,990	30,622	30,775	30,210	30,247
Planning - Inspection Division										
Building Permits Issued	477	556	625	626	646	629	654	572	531	522
Estimated construction value in millions	\$ 31.39	\$ 40.88	\$ 35.80	\$ 49.28	\$ 51.25	\$ 42.87	\$ 55.95	\$ 45.88	\$ 53.58	\$ 74.20
Police (1)										
Physical arrests	1,276	1,048	1,189	1,263	1,559	1,585	1,252	1,245	1,349	1,469
Traffic violations	2,178	1,688	1,734	1,855	2,210	1,603	1,466	1,313	1,400	1,319
Parking violations	13,864	13,483	12,213	10,761	10,063	7,983	8,472	8,374	8,499	10,507
Fire and Rescue										
Calls answered	4,032	4,573	4,929	4,881	5,078	5,077	4,794	5,147	5,021	5,085
Emergency Responses	2,114	2,651	2,455	2,702	2,728	2,797	3,038	3,197	3,200	3,712
Fires extinguished	106	120	125	120	135	135	104	72	101	101
Number of inspections conducted	527	590	525	553	589	640	637	623	782	1,214
Emergency medical responses	1,633	1,701	1,764	1,875	1,896	1,949	2,144	2,224	2,175	2,441
Community services - Public Works										
Refuse collected (tons)	4,200	4,400	4,500	4,625	4,750	4,880	5,000	4,996	5,853	5,267
Recycling (tons)	2,350	2,475	2,600	2,750	2,820	2,875	2,060	2,823	3,017	4,255
Streets resurfaced (miles)	4.0	4.0	5.5	5.5	5.5	5.5	6.0	4.5	13.1	8.0
Potholes repaired	~600	~600	~600	~600	~600	~600	~600	~600	550	600
Public Library										
Volumes in collections	88,938	89,018	95,347	96,243	94,274	99,992	101,114	99,321	100,247	103,884
Total volumes borrowed	267,785	252,940	242,061	247,757	265,225	267,448	274,052	270,692	278,396	279,332
Human Services - General Assistance										
Number of contacts	NA	NA	1,960	1,949	2,366	2,421	3,328	3,935	4,956	4,010
Applicants	NA	NA	435	386	456	580	610	650	698	664
Assisted cases	NA	NA	273	277	386	453	479	487	536	521
Water system:										
Water main breaks	NA	NA	NA	NA	NA	NA	NA	4	2	13
Daily average consumption (millions of gallons)	2.2	2.3	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2
Peak daily consumption (millions of gallons)	3.7	3.9	3.2	3.5	3.9	3.4	3.2	3.4	3.4	4
Sewage System:										
Daily average treatment (millions of gallons)	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.8	3

Data Source:

Various city departments

Notes

(1) Calendar year ending during the fiscal year

City of Dover, New Hampshire

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of patrol units	10	10	10	10	10	10	10	10	10	10
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks	2	2	2	2	2	2	1	1	1	2
Number of pumpers	4	4	4	4	4	4	4	4	4	3
Number of support vehicles	7	7	7	7	6	5	5	5	5	6
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Community Services - Public Works										
Miles of streets	128	129	129	129	130	131	131	131	132	132
Miles of storm drains	55	55	56	56	56	57	57	64	65	67
Number of street lights	1,725	1,750	1,775	1,800	1,825	1,831	1,836	1,770	1,852	1,915
Number of bridges	10	10	11	11	11	11	11	11	11	11
Recreation:										
Community centers	1	1	1	2	2	2	2	2	2	1
Number of parks	15	15	15	15	15	16	17	18	18	18
Park acreage	210	210	210	210	210	236	250	274	274	274
Playgrounds	9	9	9	9	9	10	11	11	12	12
Baseball/softball fields	6	6	6	6	7	8	10	10	10	10
Football/soccer fields	4	4	4	4	4	5	7	7	7	7
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	9	9	9	9	9	9	9	9	9	9
Indoor gyms	1	1	1	2	2	2	2	2	2	
Indoor ice skating sheets	1	1	1	2	2	2	2	2	2	2
Water system:										
Miles of water mains	128	128	130	132	133	133	134	148	149	151
Number of service connections	7,100	7,220	7,350	7,450	7,500	7,656	7,900	7,993	8,040	8,124
Storage capacity in gallons	5	5	5	5	5	5	5	5	5	5
Maximum daily capacity of plant (millions of gallons)	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	4
Number of fire hydrants	NA	NA	NA	NA	NA	960	960	967	1,050	1,093
Sewage System:										
Miles of sanitary sewers	85	85	85	86	112	112	112	117	117	120
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	5,800	6,001	6,100	6,260	6,387	6,488	6,700	7,154	7,215	7,332
Maximum daily capacity of treatment (millions of gallons)	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	5

Data Source:

Various city departments

City of Dover, New Hampshire

City Government Employees by Function - Full Time Equivalents

Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Executive	9.8	10.1	10.9	12.2	11.8	12.7	11.4	13.5	12.6	12.9
Finance	12.7	13.3	14.5	15.5	15.7	15.7	16.0	16.0	16.0	16.0
Planning	8.0	8.4	8.6	8.9	8.9	9.5	10.0	10.0	10.6	10.6
Total General Government	30.5	31.8	34.1	36.6	36.4	37.8	37.4	39.5	39.2	39.5
Public Safety										
Police - Sworn Officers	43.3	43.3	48.4	51.5	53.6	54.6	54.6	54.6	55.7	52.6
Police - Non-sworn employees	21.8	21.8	21.8	22.8	23.5	24.0	24.0	24.5	25.6	27.1
Total Police Department	65.0	65.0	70.2	74.3	77.1	78.7	78.7	79.1	81.3	79.7
Fire and Rescue	47.0	47.5	47.5	48.6	48.9	48.9	50.3	50.3	54.6	54.6
Total Public Safety	112.0	112.5	117.7	122.9	126.0	127.6	128.9	129.5	135.8	134.3
Public Works										
General Fund functions (1)	38.4	40.7	40.6	43.3	44.5	44.6	43.5	43.4	43.8	39.4
Water	11.4	11.5	13.5	12.5	13.5	13.5	13.5	13.5	13.5	13.0
Sewer (2)	8.4	8.5	17.0	17.0	16.0	16.0	16.0	16.0	16.0	16.0
Fleet maintenance	4.5	5.5	5.5	5.9	5.9	5.9	5.9	6.0	6.0	5.7
Total Public Works	62.6	66.2	76.6	78.7	79.9	80.0	78.9	78.9	79.3	74.2
Culture and Recreation										
Recreation (1)	27.7	28.4	29.7	35.8	36.7	36.5	33.8	34.4	33.5	33.1
Public Library	13.8	13.9	14.9	15.1	15.4	15.7	15.6	15.5	15.8	15.8
Total Culture and Recreation	41.5	42.2	44.6	51.0	52.1	52.1	49.3	49.9	49.2	48.9
Human Services										
Welfare (3)	4.4	4.4	4.5	4.5	5.4	5.4	5.4	5.3	2.8	2.8
Total Human Services	4.4	4.4	4.5	4.5	5.4	5.4	5.4	5.3	2.8	2.8
Total All Functions	251.0	257.2	277.5	293.7	299.7	302.9	299.9	303.0	306.4	299.5
Percent of Total										
General Government	12.1%	12.4%	12.3%	12.5%	12.2%	12.5%	12.5%	13.0%	12.8%	13.2%
Public Safety	44.6%	43.8%	42.4%	41.8%	42.0%	42.1%	43.0%	42.7%	44.3%	44.8%
Public Works	25.0%	25.7%	27.6%	26.8%	26.6%	26.4%	26.3%	26.0%	25.9%	24.8%
Culture and Recreation	16.5%	16.4%	16.1%	17.4%	17.4%	17.2%	16.5%	16.5%	16.1%	16.3%
Human Services	1.7%	1.7%	1.6%	1.5%	1.8%	1.8%	1.8%	1.7%	0.9%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Budgeted Positions per City of Dover Budget. Full time equivalent based on 40 hours per week.

Notes

(1) A reorganization of personnel occurred in 1996 concentrating maintenance workers to Public Works.

(2) The operations of the Wastewater Treatment Plant were taken over from a private firm in 2000 after a 5 year contract.

(3) The Youth Resource Div of Human Services was transferred to the Police Dept in FY06.

City of Dover, New Hampshire

School Building Information

Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Garrison Elementary										
Square feet	47,178	49,678	49,678	49,678	49,678	49,678	49,678	55,178	65,938	65,938
Teachers	31.5	34.5	35.5	30.6	31.0	30.0	31.3	24.9	25.5	31.5
Capacity	562.5	612.5	612.5	612.5	612.5	612.5	612.5	672.5	672.5	672.5
Enrollment	511.0	611.0	624.0	496.0	496.0	440.0	428.0	400.0	379.0	512.0
Horne Street Elementary										
Square feet	37,414	39,914	39,914	39,914	48,236	48,236	48,236	48,236	48,236	48,236
Teachers	25.0	24.5	25.5	20.6	22.8	25.3	23.8	26.4	24.4	22.4
Capacity	517.5	567.5	567.5	567.5	612.5	612.5	612.5	612.5	612.5	612.5
Enrollment	381.0	431.0	440.0	348.0	334.0	391.0	435.0	447.0	474.0	358.0
Woodman Park Elementary										
Square feet	70,608	73,108	73,108	73,108	73,108	73,108	73,108	73,108	73,108	105,178
Teachers	31.5	32.5	33.5	29.5	26.0	33.0	27.5	29.8	30.8	32.3
Capacity	427.5	477.5	477.5	477.5	477.5	477.5	477.5	477.5	477.5	594.0
Enrollment	450.0	528.0	528.0	433.0	446.0	462.0	479.0	460.0	454.0	468.0
Totals All Elementary Schools										
Square feet	155,200	162,700	162,700	162,700	171,022	171,022	171,022	176,522	187,282	219,352
Teachers	88.0	91.5	94.5	80.7	79.8	88.3	82.6	81.1	80.7	86.2
Capacity	1,507.5	1,657.5	1,657.5	1,657.5	1,702.5	1,702.5	1,702.5	1,762.5	1,762.5	1,879.0
Enrollment	1,342.0	1,570.0	1,592.0	1,277.0	1,276.0	1,293.0	1,342.0	1,307.0	1,307.0	1,338.0
Dover Middle School (1)										
Square feet	101,000	101,000	164,000	164,000	164,000	175,020	175,020	175,020	175,020	175,020
Teachers	54.0	54.5	47.0	66.0	67.0	69.2	73.5	67.7	75.0	72.9
Capacity (2)	NA	NA	1,220.0	1,220.0	1,220.0	1,380.0	1,380.0	1,380.0	1,380.0	1,380.0
Enrollment	794.0	777.0	778.0	1,034.0	1,086.0	1,137.0	1,142.0	1,098.0	1,082.0	1,109.0
Dover High School										
Square feet	215,975	215,975	215,975	215,975	215,975	226,735	226,735	226,735	226,735	226,735
Teachers	87.7	85.8	85.8	96.7	102.6	106.8	107.4	110.6	110.4	116.8
Capacity	1,600.0	1,600.0	1,600.0	1,600.0	1,600.0	1,760.0	1,760.0	1,760.0	1,760.0	1,760.0
Enrollment	1,525.0	1,550.0	1,587.0	1,682.0	1,670.0	1,682.0	1,742.0	1,658.0	1,866.0	1,779.0
Totals All Schools										
Square feet	472,175	479,675	542,675	542,675	550,997	572,777	572,777	578,277	589,037	621,107
Teachers	229.7	231.8	227.3	243.4	249.4	264.3	263.5	259.4	266.1	275.9
Capacity (2)	3,107.5	3,257.5	4,477.5	4,477.5	4,522.5	4,842.5	4,842.5	4,902.5	4,902.5	5,019.0
Enrollment	3,661.0	3,897.0	3,957.0	3,993.0	4,032.0	4,112.0	4,226.0	4,063.0	4,255.0	4,226.0
Food Service - All Schools										
Number Meals Served	NA	NA	313,463	310,365	336,015	341,679	352,406	351,783	333,139	340,863
Avg Daily Participation	NA	NA	1,741	1,724	1,867	1,898	1,958	1,954	1,851	1,894

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

Notes

- (1) In 2001 a new Middle School replaced the Junior High School/Middle School. Grades changed from 6th through 8th to 5th through 8th.
- (2) Capacity of old Middle School is not known.

City of Dover, New Hampshire

School Department Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Operating Budget (1)	Debt Service (1)	Total Budget	Enrollment (2)	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Attendance Percentage
2007	\$ 36,203,218	\$ 2,799,270	\$ 39,002,488	4,226	\$ 9,229	6.2%	275.9	15.3	94.6%
2006	34,363,074	2,598,888	36,961,962	4,255	8,687	2.3%	266.1	16.0	94.5%
2005	32,065,504	2,448,119	34,513,623	4,063	8,495	8.0%	259.4	15.7	95.2%
2004	30,922,459	2,316,331	33,238,790	4,226	7,865	1.3%	263.0	16.1	94.8%
2003	29,751,613	2,178,843	31,930,456	4,112	7,765	5.0%	264.3	15.6	95.0%
2002	27,670,695	2,148,055	29,818,750	4,032	7,396	11.0%	249.4	16.2	NA
2001	24,653,632	1,941,623	26,595,255	3,993	6,660	15.5%	243.4	16.4	NA
2000	21,939,513	887,297	22,826,810	3,957	5,769	9.4%	227.3	17.4	NA
1999	19,926,440	626,272	20,552,712	3,897	5,274	0.2%	231.8	16.8	NA
1998	18,797,217	473,707	19,270,924	3,661	5,264	0.6%	229.7	15.9	NA

Data Source:

Budget information from City Adopted Budget and non-financial information provided by the School Department.

Notes:

- (1) Budget is for the General Fund only and excludes grant funds and cafeteria.
- (2) Enrollment is based on start of year census.

City of Dover, New Hampshire

School Educational and Service Information

Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Dover High School										
Senior Enrollment (1)	269	294	298	329	314	344	357	355	353	411
Status of Seniors (2)										
Graduated	235	245	258	292	287	333	352	336	335	372
Enrolled in four-year college	109	115	120	123	121	160	143	141	140	167
Enrolled in two-year college	40	35	53	49	54	57	68	74	60	76
Enlisted in Armed Forces	7	7	7	10	12	11	16	10	10	5
Post-secondary, workforce or other	79	88	78	110	100	105	125	104	125	124
SAT Mean Scores										
Verbal	517	NA	524	497	508	519	515	518	503	518
Math	527	NA	513	499	510	518	511	516	504	520
% of Seniors taking test	71%	NA	70%	63%	62%	65%	65%	65%	62%	61%

Data Source:

School Department - as of official NH Department of Education reporting date: Oct 1st

NOTES:

- (1) As of Official DOE Reporting Date: Oct 1st. Enrollment includes tuition students.
- (2) As of end of fiscal year.

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